



**THE REPUBLIC OF UGANDA
MINISTRY OF GENDER,
LABOUR & SOCIAL DEVELOPMENT**

NATIONAL EMPLOYMENT STRATEGY 2023-2028

AND

ACTION PLAN 2023-2025

November 2022

FOREWORD

Job creation is a crucial issue for any government. The task is more critical for Uganda where the creation of decent jobs for Uganda's rapidly expanding working-age population remains a great challenge. More than half of Uganda's population is under twenty years of age, and more people enter the job market than leave it each year. Additionally, employment statistics in Uganda are hardly comforting: Youth unemployment rates have remained in the double digits for more than a decade, and women's participation in the labour market is among the lowest in the world. Moreover, periods of strong growth have not resulted in strong job creation for Ugandans, which clearly indicates a structural dysfunction that needs to be addressed.

Uganda's National Employment Strategy (NES) (2023-2028) has been prepared to diagnose labour market challenges and propose solutions and measures to tackle these challenges. Therefore, the NES aims at aligning economic development with employment. The strategy focuses on integrating economic, sectoral, and labour market policies, by developing an action plan that aims at releasing Uganda from the jobless growth trap. This strategy is expected to create more and better employment opportunities for Ugandans, enabling and facilitating a gradual transition from a passive and standalone agenda towards stimulating a transformative and integrated approach, leveraging all instruments to increase the capacity of the economy to create decent jobs

The strategy centres on increasing decent work opportunities through efficient labour market policies; offering quality vocational education and training for youth and adults; promoting social inclusion and cohesion; and promoting pro-employment macro-economic and sectoral policies and programmes. Such an approach is expected to respond to local labour requirements and build a skilled, competitive labour force for Uganda and EAC regional markets.

The NES was prepared with the active participation of relevant government institutions, agencies, social partners, private sector, and academics. It also benefitted from the recent-concluded National Labour Force Survey (2021) as well as a wealth of studies, research papers, policy reports, and projects implemented by the Government of Uganda. The action plans for the NES were generated by participants in regional consultative workshops, programme-specific representatives from relevant MDAs and non-state actors in line with NDP III's employment targets and Vision 2040. The Strategy attempts to set concrete targets to be achieved by 2025, under four main priority pillars. There is also a particular focus on seven strategic sectors that have the highest potential to generate inclusive growth and employment. To measure progress in reaching the targets, a monitoring and evaluation framework has been integrated. This, combined with the governance framework, will facilitate the coordination and implementation of the NES.

I would like to acknowledge and thank our international partners: ILO and EU for their support to this process. Special thanks are owed to all MDA's, Local government, social partners, NGOs and private sector institutions and business representatives, who have actively participated in consultations on this strategy.

Our government is strongly committed to the implementation of the National Employment Strategy, and I am confident that altogether we will pave the way towards a more prosperous Uganda for the year 2028.

Hon. Betty Among Ongom (MP)
Minister of Gender, Labour, and Social Development

PREFACE

Uganda aspires to transform its society from a peasant to a modern and prosperous country by 2040. The vision is conceptualized around strengthening the fundamentals of the economy to harness the abundant opportunities around the country. The identified opportunities include oil and gas, tourism, minerals, ICT business, abundant labour force, geographical location and trade, water resources, industrialisation, and agriculture, among others, which are considerably under-exploited to date.

To realise this vision several measures and actions are undertaken through short- and medium-term National Development Plans. The current National Development Plan III aims at *“Increased Household Incomes and Improved Quality of Life of Ugandans”*. The goal is being pursued through sustainable industrialization for inclusive growth, employment, and sustainable wealth creation. The plan recognizes the importance of strengthening the private sector to create jobs and enhancing the productivity and social wellbeing of the population, among its key objectives. As such, the National Employment Strategy (NES) comes as a contribution towards this national vision. The NES outlines our principles, approach, strategies, and targets for raising the quality and quantity of employment outcomes and improving labour market outcomes. Despite the daunting employment challenges our country has continuously faced, no overarching employment strategy has ever been developed before, as it is usually assumed that employment is an outcome of other strategies and policies. It is true that solid economic and sectoral strategies are equally needed to create adequate jobs. However, it is obvious from where we stand today that this is not enough. Employment needs to be carefully planned, managed, monitored, and integrated in all other social and economic strategies and programs.

With the guidance of the National Employment Council (NEC), the Ministry of Gender, Labour and Social Development (MGLSD) began developing the NES in August 2021 through a highly consultative process with social partners and other stakeholders. The Economic Policy Research Centre (EPRC) conducted the preparatory work with guidance from a Technical Drafting Committee set up by the NEC and composed of various Ministries, Departments and Agencies, Civil Society Organisations (CSOs), Trade Unions, Non-Government Organisations (NGOs), Academia and Development Partners. Social dialogues were held at national and regional levels, as well as sector-specific consultations and Key Informant Interviews were undertaken. Dialogues took a workshop format, with EPRC moderating the outcomes with support from MGLSD and ILO. This document is thus based on the leadership and guidance of these stakeholders and reflects the consensus reached on how to shape and streamline national employment and labour market policies and actions.

The strategy is divided into five major sections. The first lays the foundation of the NES within the global and national context based on the current reality of the labour market; and the policy frameworks. The second provides a comprehensive and systematic diagnosis of Uganda’s labour market, and the third presents the critical problems and stipulates the visioning, priority pillars and principles of the NES. The fourth provides the action plans organized into two parts, with one focusing on the four priority pillars and the other on the priority programme strategies covering oil and gas, manufacturing, construction, and real estate, works and transport, agro-industrialisation, tourism, and trade. The fifth section provides the governance, financing and monitoring and evaluation frameworks.

Mr. Aggrey David Kibenge
Permanent Secretary/ Chairperson National Employment Council
Ministry of Gender, Labour, and Social Development

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GLOSSARY

Child	A juvenile. A person aged below 18 years.
Child labour	Work that is mentally, physically, socially and/or morally dangerous and harmful to children. Hazardous work which by its nature or the circumstances under which it is performed, jeopardises the health, safety and morals of a child. Also includes work or activities that interfere with children's school attendance.
Decent work	Refers to opportunities for work that is safe, productive and delivers a meaningful income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom of expression and association, to organise and participate in the decision making and equality of opportunity and treatment for all women and men.
Employed Persons	Persons who work for wage or salary in cash or in kind or both and have a formal job attachment.
Employment	Restricted to only the working age population who were engaged in any activity to produce goods or provide services for pay or profit. "For pay or profit" refers to work done as part of a transaction in exchange for remuneration payable in the form of wages or salaries for time worked or work done, or in the form of profits derived from the goods and services produced through market transactions.
Employment-to population ratio (EPR)	The number of employed persons in the working age population given as a percentage of the total number of persons in the working age population. It is one of the measures of the extent of job creation in the economy.
Formal sector	Covers all those enterprises which fulfil the following: -offer regular wages and hours of work; -employees carry with them employment rights; -are officially registered, and - are liable to taxation.
Gini Coefficient	This is a measure of income inequality and hence shows how income is distributed across individuals.
Informal sector	Covers enterprises that are not incorporated according to the Companies Act (LoU 2000, Cap. 110), do not have complete books of accounts, do not separate the legal entity independently from the owners and operate within a fixed or without fixed location
Labour force participation rate (LFPR)	The labour force participation rate measures the proportion of the working age population that is economically active i.e., working and unemployed. LFPR is the number of persons in the labour force given as a percentage of the working age population.
Labour force	Persons aged 14 - 64 years who are either employed or unemployed. This is notwithstanding the provisions of the national constitution and other legislation, which prevent children from participating in hazardous work.

Labour underutilisation	This encompasses unemployment and other forms of mal-employment such as with insufficiency of the volume of work (labour slack), low remuneration (low earnings) and incompatibility of education and occupation (skill mismatch). For the present purpose, labour underutilisation is defined to be the aggregate of labour slack (unemployed, time related under employment as well as those marginally attached to the labour force), low earnings and skill mismatch.
Occupation	Refers to the nature of task and duties performed during the reference period preceding the interview by persons in paid employment, unpaid family work or self-employment jobs.
Older persons	Persons aged 60 years and above
Persons in employment	Refers to all persons of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. For “pay or profit” refers to work done as part of a transaction in exchange for remuneration payable in the form of wages or salaries for the time worked or work done. The payment may also be in the form of profits derived from the goods and services produced through market transactions.
Persons with Disabilities	Persons with permanent and substantial functional limitation of daily activities caused by physical, sensory or mental impairment and environmental barriers resulting in limited participation.
Poverty	The percentage of individuals estimated to be living in households with real private consumption per adult equivalent below the poverty line.
Productivity	The efficiency with which inputs are transformed into outputs.
Skill mismatch or inadequate employment	skill Skill mismatch measures the incompatibility between education and occupation. Workers whose educational attainment is above the skill requirement of their jobs are in some sense underutilised. The return on investment in their education and training is below optimum and somewhat wasted.
Time-related underemployment (TRE)	The time-related underemployed includes all employed persons whose hours of work “are insufficient in relation to an alternative employment situation in which the person is willing and available to engage.” Hence, the criteria of time-related underemployment at the national level can be summarised as: (i) willingness to work additional hours; (ii) availability to work additional hours and, (iii) having worked below a threshold of working hours (less than 40 hours a week).
Trade Balance	The difference in value between the country’s visible imports and exports.
Underemployment:	Refers to a situation where working individuals aged 14-64 are not fully utilised in terms of hours of work, skills and earnings.
Unemployment	Persons of working age are classified as unemployed if, during a short reference period such as a day or a week, they (a) were without work, i.e. did not work for even one hour in any economic activity (paid employment, self-employment, or unpaid work for a family business or farm); (b) were available for work; and (c) had taken active steps to seek work during the past four weeks.
Unemployment Rate (UR)	Unemployment rate (UR) is the percentage of the labour force that is unemployed.

Vulnerable groups	Categories of people who lack security and/or are susceptible to risk and/or are exploited e.g., Communities which are prone to regular drought or crop loss, elderly with no means of support, men, women, and children in armed conflict areas, orphans, workers in hazardous working conditions such as casual agricultural wage workers, domestic servants, persons with disabilities, the elderly and the unemployed.
Work	Comprises of own-use production work, employment work, unpaid trainee work, volunteer work and other forms of work. Work excludes activities that do not involve producing goods or services (e.g., begging and stealing), self-care (e.g., personal grooming and hygiene) and activities that cannot be performed by another person on one's own behalf (e.g., sleeping, learning and activities for own recreation).
Working-age population	This is the total number of potential workers within an economy (14-64 years).
Working persons	Persons of working age are classified as working or employed if, during a short reference period such as a day or a week, (i) they did some work (even for just one hour) for pay, profit or family gain, in cash or in kind; or (ii) they were attached to a job or had an enterprise from which they were 'temporarily' absent during this period (for such reasons as illness, maternity, parental leave, holiday, training, industrial dispute).
Working Poor	Individuals forming part of the working population but whose incomes fell below the official poverty line.
Youth	Persons aged between 18 and 30 years as per the Constitution of the Republic of Uganda

ACRONYMS

ALFS	Annual Labour Force Survey
CY	Calendar Year
ECD	Early Childhood Development
EPR	Employment to Population Ratio
EPRC	Economic Policy Research Centre
EU	European Union
FUE	Federation of Uganda Employers
FY	Fiscal Year
GDP	Gross Domestic Product
ICT	Information and Communication Technology
ILO	Internal Labour Organisation
LFPR	Labour Force Participation Rate
LFS	Labour Force Survey
LGs	Local Governments
LLL	Life-Long Learning
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MDAs	Ministries Departments and Agencies
MGLSD	Ministry of Gender, Labour and Social Development
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
NEC	National Employment Council
NEET	Neither in Employment nor in Education Training
NEP	National Employment Policy
NES	National Employment Strategy
NGOs	Non-Governmental Organisation
NOTU	National Organisation of Trade Unions
NDP	National Development Plan
UBOS	Uganda Bureau of Statistics
UCE	Uganda Certificate of Education
UNATU	Uganda National Association of Trade Unions
UPE	Universal Primary Education
USE	Universal Secondary Education
4IR	Fourth Industrial Revolution

1. BACKGROUND AND RATIONALE OF NES

Globalisation, economic growth patterns, demography, and urbanisation are changing the dynamics of labour markets as unemployment, underemployment, poverty, and inequality gaps deepen. Beyond these is also technology, especially in the current century of the Fourth Industrial Revolution (4IR), which presents significant impacts especially on young people in both developed and developing economies. Therefore, policies and strategies at the country level must focus on planning for and responding to these changes and building strong labour forces responsive to the changing world of work needs. In addition, migration, trade, foreign investment, and technological revolutions as channels of globalisation continue to put the demand for more and better jobs, and increased workers' productivity at the forefront. Consequently, regulations, policies, and interventions to ensure employment, occupational health and safety standards, and protecting labour rights in the face of globalisation should also keep revolving.

The global recession, climate change and the COVID-19 pandemic has affected Uganda's growth (6.44 percent in 2019; 2.95 percent in 2019/20 and 3.38 percent in 2020/21) despite the efforts at macro level by government to mitigate such shocks. While Government interventions committed to ensure macroeconomic stability, single digit inflation and peace and security to boost employment creation and growth during implementation of the third National Development Plan (NDP III), the performance of the real economy in the first two years of the plan is below the planned targets. Owing to the slow growth, limited fiscal space and public investments, the generous tax incentives to attract foreign direct investments, the limited capacity of the private sector to thrive in the current business environment, unemployment and underemployment remain a challenge, especially among the youth and women. Structural impediments coupled with corruption (Uganda's Corruption Index in 2021 is ranked 144 out of 180 countries-Transparency International, 2021) have partly affected the labour market through limited employment creation, low labour productivity and poor working conditions.

Strict macroeconomic stability, while necessary to create confidence in investors, is not a sufficient condition to create jobs. Therefore, there's an urgent need to strengthen the nexus and mutual complementarities between macroeconomic, sectoral, and labour market policies. This will foster integrated transformative reforms in the labour market in support of addressing the structural challenges¹ the Ugandan economy faces. Similarly, dedicated pro-employment sectoral policies, with a view to stimulate structural transformation and growth in employment-intensive and higher-value added sectors are vital. These usually go beyond the idea of an enabling environment, as there is a need to actively attract and foster investment in these key sectors. In addition, the Third National Development Plan (NDP III) underscores two main employment challenges in Uganda. First, the low production and productivity that is affected by: i) jobs and incomes; ii) living standards; iii) social inclusion and equity; iv) environmental sustainability; v) productivity; vi) competitiveness; vii) markets and regulations; and viii) local content. Second, the limited role of public sector transformation in the drive towards achieving middle-income status and improve living standards and wellbeing of the populace.

¹Such challenges include Low Competitiveness; Weak public sector management and administration; Ideological disorientation; Weak private sector; Low industrialisation and value addition, Corruption; Limited government investment in strategic and emerging industries; Slow accumulation of modern infrastructure; and Inadequate human resources.

In this regard, the National Employment Strategy (NES) aims to resolve the main structural problems in the economy and labour market. It also provides robust solutions to the persistently high working poverty, unemployment, and underemployment through increasing growth's impact on employment in the medium and long term. To achieve this, the NES focuses on policies and programmes that are both growth-enhancing and jobs-propelling as identified by the NDP III and the Employment and Sectoral Diagnostics Analysis Studies (MoGLSD, 2014).

Further, the NES defines specific employment strategies and interventions, in line with the NDP III programmes, that drive growth and jobs in Uganda. Ideally, NDP III notes that 2.5 million jobs over the five-year period (about 512,000 jobs per annum) will be created. Here, the services sector was identified as the sector to create the highest number of jobs followed by agriculture and industry. Such that the new jobs target will be attained through:

- Supporting development and growth of tourism services
- Promoting human capital development (promotion of education Centres of Excellence)
- Facilitating formalization of service providers in the informal sector using Umbrella Associations
- Ensuring the development of trade, transport and storage infrastructure
- Supporting small and medium enterprises (SMEs) to access markets (domestic and external)
- Streamline and reform youth and women employment programs to help young Ugandans find employment.
- Strengthen Local Economic Development
- Accelerate the transformation of agriculture from subsistence to commercial production by connecting smallholders with value-chain.
- Increasing investment in productive areas
- Promoting Foreign Direct Investment

Based on the areas in which new jobs will be created, the programmes areas of intervention in line with the identified priority pillars, cognizant of level of growth and development of the Ugandan economy, are:

- Agro-Industrialisation and manufacturing which have high employment absorptive capacities with links to technology, finance, and education (human capital).
- Tourism, construction, trade, oil & gas, works & transport with high employment linkages in technology, finance, and education (human capital).

The strategy is thus built on four main macro pillars to address the policy objectives of the National Employment Policy of 2011. In identification of the priority pillars, the NEP 2011 points out the need to: promote macro-economic policies and investment strategies for employment creation; increase productivity, competitiveness and employability of the labour force, especially the youth and other most vulnerable members of the labour force; promote demand-driven skills development, training and apprenticeships and or internships, especially for the youth; promote purposeful and functional vocational and technical skills training; ensure availability of reliable and timely labour market information, especially for those sectors of the labour market employing the poor and vulnerable women; and promote and protect the rights and interests of workers in accordance with existing labour laws and international labour standards.

In line with the NEP 2011 and current labour market situation, the priority pillars for NES are to:

- I. Strengthen economic policies and programmes to achieve job-rich investment and growth.
- II. Strengthen education and training systems to meet labour market needs.
- III. Eliminate the barriers to employment of vulnerable groups (women, PWD, youth, refugees, migrants and long-term unemployed).
- IV. Strengthen employment and social protection links to promote decent work and minimise helplessness.

Based on the economic, sectoral, and labour market analysis and trajectories experienced in the last five years (2016/17 to 2021), the NES serves to identify the persistent structural challenges to be tackled by providing a coherent framework with clear and costed actions, timeframes, targets and deliverables.

2. SITUATIONAL ANALYSIS

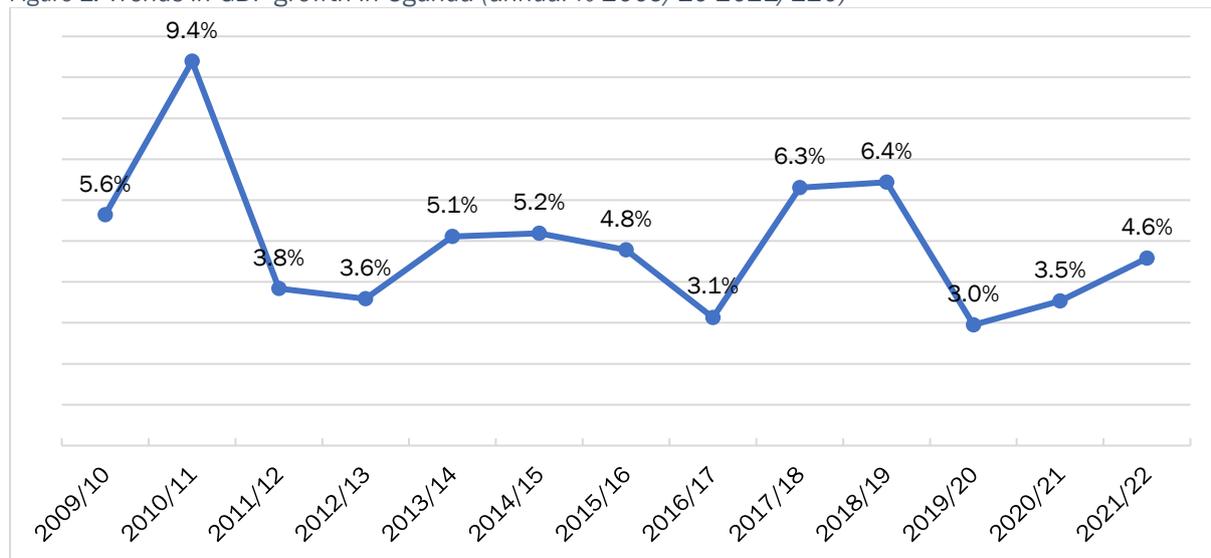
Despite progress in poverty reduction and other aspects of human development², particularly during the 1990s and early 2000s, the creation of decent jobs for Uganda's rapidly expanding working-age population remains dramatically insufficient. The high-productivity sectors are not rapidly expanding to absorb the growing labour force. Where jobs are created, informality, underemployment and working poverty continue to manifest highly in the employment realm. While labour supply is high, demand for labour is low. So, what is leading to the "persistent jobless growth trajectory" despite the targeted interventions by the government to stimulate employment creation? This section aims to assess and illustrate the state of play and the trends which precipitate the jobless growth phenomena in Uganda.

2.1 MACROECONOMIC CONTEXT

Growth and employment

Uganda has registered impressive economic growth over the past two decades. GDP grew at an average rate of 6.8 percent between 1992/93 and 2016/17, but far above the employment growth rate of 2.7 percent over the same period. Even when GDP growth slowed to about 3.0 percent in 2019/20 due to the COVID-19 pandemic, the economy picked up faster and grew by 3.5 percent in 2020/21 to 4.6 percent in 2021/22 (see figure below).

Figure 1: Trends in GDP growth in Uganda (annual % 2009/10-2021/22)



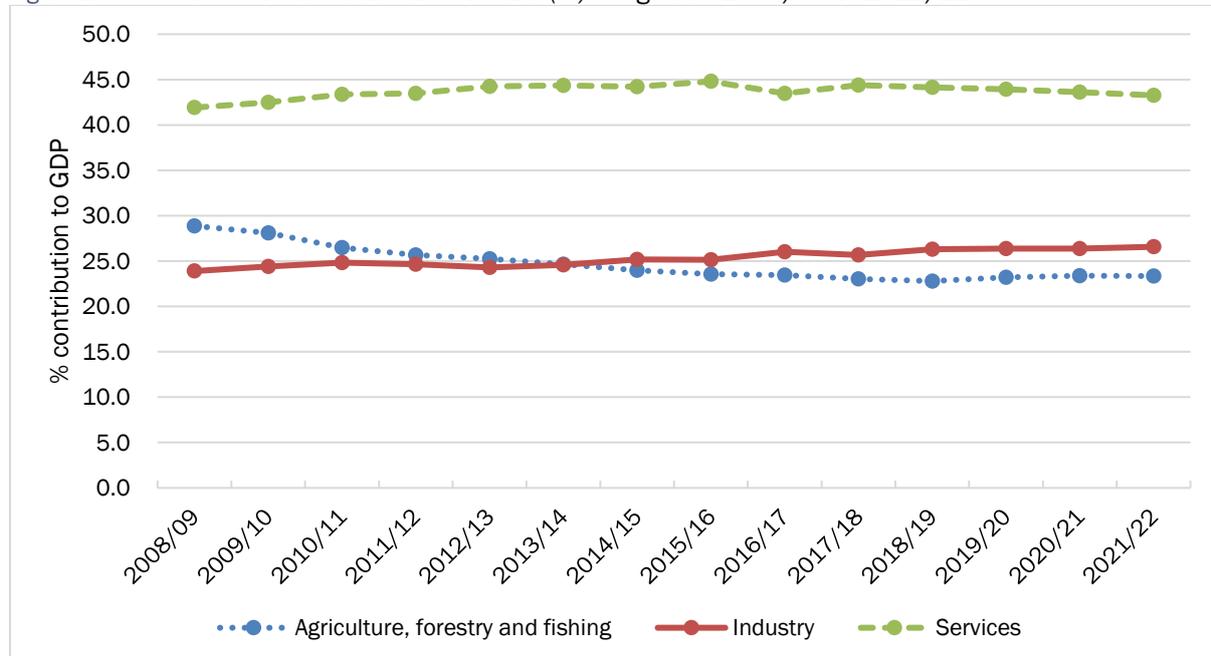
Source: UBOS, 2022

This was due to a wide range of economic recovery measures adopted by the government, such as a stimulus package to support private sector businesses, reducing mobile money and other digital payment charges, buying treasury bonds held by financial institutions to ease liquidity and reducing the central bank rate and the reserve requirement ratio, among others. Nonetheless, the GDP growth rate is still below the NDP III target of 6 percent GDP growth per annum.

² Long and healthy life, knowledge and standards of living

Data from Uganda's Annual Statistical Abstracts shows that the services sector continues to be the lead contributor to GDP (See figure below). The agriculture, forestry & fishing sector, the backbone of Uganda's economy, contributes the least to GDP, yet, it is the second-largest contributor to employment, indicating the low levels of productivity and high levels of working poverty in this sector.

Figure 2: Trends in Sectoral Contribution to GDP (%) in Uganda -2008/09 to 2021/22



Source: UBOS, National Accounts data, 2022

Contrary to the conventional wisdom that sustained economic growth stimulates job creation, thus reducing unemployment, Uganda's economic growth rates have not translated into job growth, especially decent and productive ones. Out of the estimated 700,000 individuals who enter the job market annually, only 238,000 (34 percent) are absorbed (NPA, 2020). Further, employment elasticity for Uganda is low, estimated at 0.04 percent, indicating that, on average, a percentage point increase in the growth rate of GDP results in the creation of only 400 jobs instead of 10,000 jobs. In addition, the deep structural problem in Uganda's labour market is low total labour productivity, especially in agriculture. This has contributed to the limited structural transformation of Uganda's economy.

GDP (value added) per capita increased from 2.7 million to 2.97 million Ugandan Shillings and productivity (output per worker) increased in tandem from 11.2 million to 12.7 million shillings over the same period. Insights into labour productivity growth by sector indicated that manufacturing, construction, education, and other services had increased labour productivity. Using the World Bank JOGGS framework, estimates suggest that Uganda's economic growth over the five years has not been pro-employment. Specifically, this shows that 100 percent of the growth has been linked to increased output per worker. In comparison, -43 percent of the growth has been linked to changes in employment rates or employment creation, with 12 percent of the growth linked to demographic shifts associated with an increase in the share of the working-age population (Table 1). This implies that strategies in the National Employment strategy need to align both the microeconomic, business, and macroeconomic policies to ensure that economic growth in

Uganda is pro-employment and generates more jobs to match the labour demand over the NDP III implementation period compared to the reference period in which 512,000 jobs should be created annually.

Table 1: Decomposition of Growth in per capita Value Added, Uganda 2016/17-2021

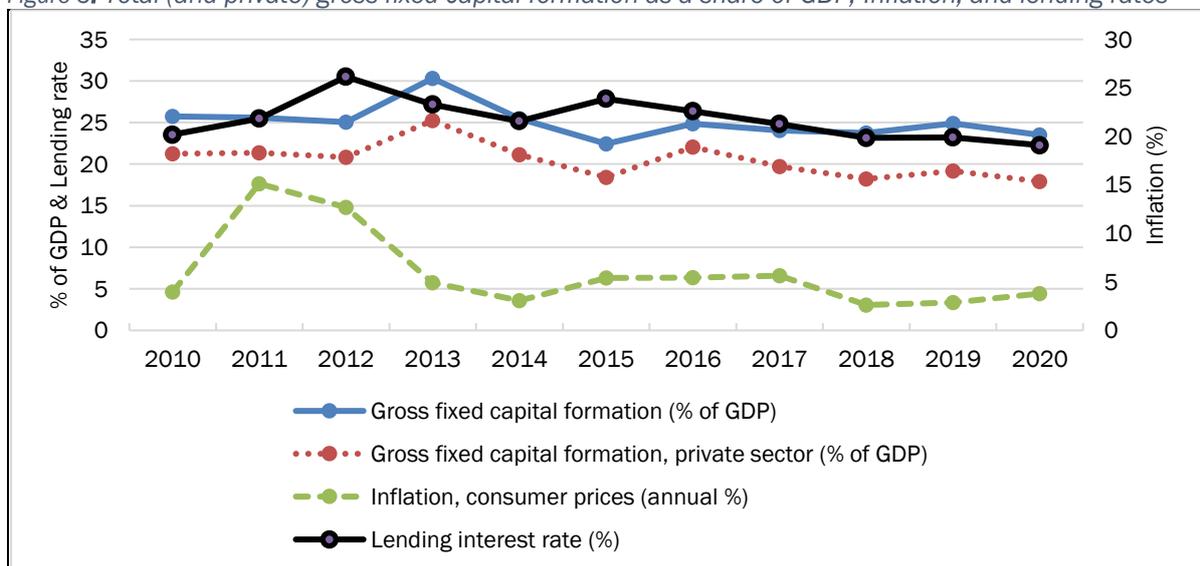
	2016/17UgX	Percent of total change in per capita value-added growth
Total Growth in per capita GDP (value added)	270,010	100
Growth linked to output per worker	354,439	131
Growth linked to the changes employment rate	-117,080	-43
Growth linked to changes in the share of the population of working Age	32,652	12

Source: Computations using UBOS LFS 2021 and World Bank JOGGS model, 2022

Inflation, lending rates and private sector

Inflation has been single-digit but has not encouraged private-sector investment (Figure 3). Gross fixed capital formation as a share of GDP has been below 25 percent since 2013 and private sector investments have also slowly declined over time – now below 20 percent since 2017. Lending rates have been double-digit, way higher than other sub-Saharan countries. When the lending rate was 31 percent in 2012 and 23 percent in 2015, total and private gross fixed capital formation (investments) declined, which translated to limited jobs created. The slight decline in lending rates in the later years has seen marginal improvements in investments, but these are not transformative enough to create jobs, especially in the private sector.

Figure 3: Total (and private) gross fixed capital formation as a share of GDP, Inflation, and lending rates



Source: Last updated on 02/15/2022-World Development Indicators (2022) and Bank of Uganda (2022)

Tax policy and private sector

Government recognises that fiscal policy is key to success and much effort has, in the past decade, gone towards fiscal reforms and the improvement of institutional capacities. Tax increases have dominated fiscal policy. The tax-to-GDP ratio has been below 13 percent for the last 10 years. Major tax revenues originate from VAT, imports and income tax. Tax

reforms have been regressive. For example, Uganda's VAT was subsequently reduced to 18 percent from 20 percent when major businesses started closing or under-declaring imports. However, Uganda's private sector (a significant driver of employment generation) sees tax policy and administration as among the most severe impediments to business in the country. The NES should heavily emphasise this macroeconomic fundamental if the domestic private sector is to grow and expand. Fiscal space for social expenditures has remained tight in Uganda, particularly given the prioritising of infrastructure spending. This shift has thus far not generated higher growth of GDP. The combination of low development and inefficient tax administration has limited the revenue base and hence low employment growth.

Market potential for job creation

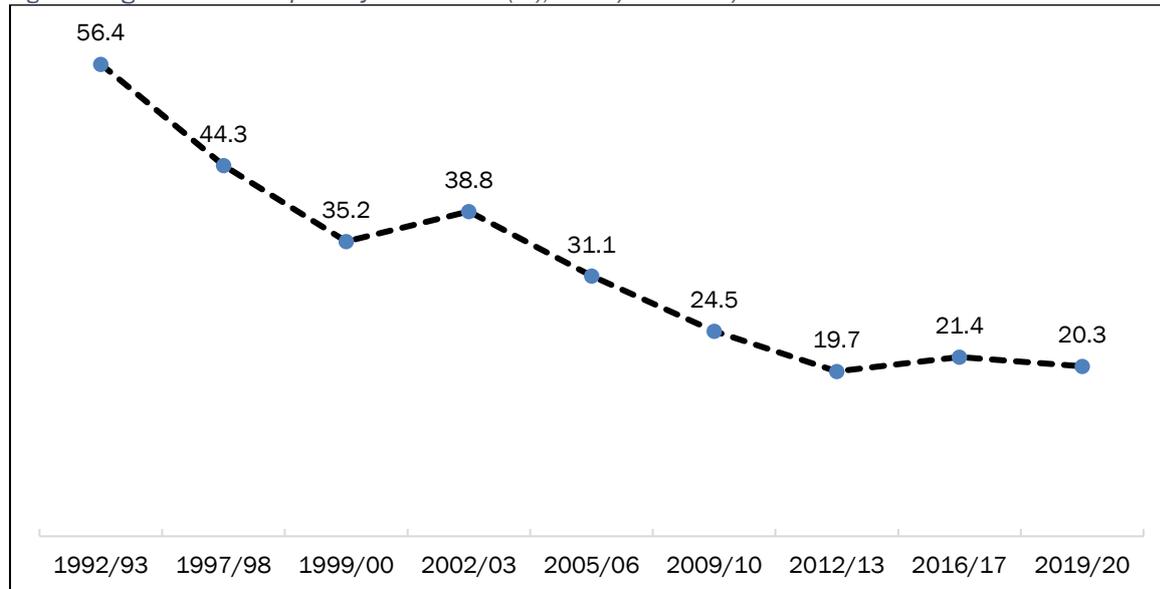
Markets (domestic and foreign) are driven by the level of interaction between the movement of goods and services. Market diversification implies more jobs to produce for the diversified base. In Uganda, poor global growth affected by the US–China trade tensions and stagnant growth and subdued demand in Europe risks reduced Ugandan exports, hence widened the trade balance/deficit. Even with marginal recovery in growth and trade, these have not translated into job growth as unemployment increased. Uganda posted a trade deficit of USD 500 million in mid-2022, widening from USD 373 million in the corresponding month of 2021. Imports surged by 51.8 percent year-on-year to a 14-month high of USD 1,007.8 million whereas exports advanced by 74.5 percent to an over three-year high of USD 507.5 million (Bank of Uganda, 2022). Uganda's trade deficit is driven by the high dependence on fuel imports. Uganda has signed regional and continental agreements to diversify its trade and export markets such as the EAC common market, COMESA, Africa free Continental Trade Area (AfCTA). For job growth, the NES needs to leverage on existing regional, continental, and global initiative that will diversify markets in favour of increased exports and import replacement with the goal of creating more productive jobs for Ugandans.

Uganda's macroeconomic policy for creating full employment and decent work for all is not fully appreciated. Macroeconomic policy has remained driven by imperatives of stability and liberalization, which entails fiscal consolidation, controlling interest rates, inflation targeting for price stability, flexible exchange rates and capital account openness, with significant implications for employment outcomes. Evidence from most countries suggest that this alone may not automatically lead to job creation. Related to the developments are the reforms in the Public Finance Management Act (2015, as amended), the Public Procurement and Disposal of Public Assets Authority Act (2003, as amended), the programme approach to planning as depicted in NDP III, the Occupational Health and Safety Act (2006 as amended), that have come into force in the last decade and contributed to the labour market outlook both in public and private sector engagement.

2.2 POVERTY AND VULNERABILITY

Uganda has made significant progress in reducing poverty over the past decades, from 56.4 percent in 1992/93 to 19.7 percent in 2012/13 and 20.3 percent in 2019/20. (See figure below).

Figure 4: Uganda income poverty headcount (%), 1992/93-2019/20



Source: UBoS (Several Uganda National Household Survey Reports)

However, the absolute number of poor persons has been increasing over time, from 6.6 million in 2012/13 to 8.03 million in 2016/17 and then to 8.7 million in 2019/20. The share of poor persons during the COVID-19 pandemic (21.9 percent) was higher than that of the pre-COVID-19 period in 2019/20 (18.7 percent), implying that the COVID-19 pandemic pushed over one million people into poverty. Insights into the poverty status of employed persons show that poverty among persons working in the agriculture, forestry and fishing sector (58.6 percent) is far higher than poverty among people employed in other sectors. Not surprisingly, elementary occupations dominate the share of working poor (49.3 percent). This is followed by skilled agricultural, forestry and fishery workers (19.6 percent) and service and sales workers (18.6 percent). Poverty among persons in informal employment is 74 times that of persons in formal employment, suggesting a strong positive relationship between poverty and informality. Relatedly, the share of working poor in regular employment (39.3 percent) is far below the share of working poor in irregular employment (60.7 percent).

Employment should be a vector to lift people out of poverty, but this is only true if job quality is sufficient, including adequate earnings, job security and safe working environments. The relationship between employment and poverty depends greatly on the extent to which decent work is ensured in the labour market. The persistence of working poverty and high levels of informality serve as a warning that the labour market is not fully meeting its potential. Their mere existence should prompt policymakers and labour market stakeholders to take actions to formulate strategies that promote decent work and quality employment for all workers. Therefore, social protection measures for the working poor and the poor need to be enshrined within the NES.

2.3 DEMOGRAPHIC DEVELOPMENTS

Uganda's population is estimated to have increased from 37.3 million in 2016/17 to 42.9 million in 2021 (Table 2). According to UBOS, the females constitute most of the population (51 percent) compared to males (49 percent). The projected female population for mid-2020 was 21.1 million. Uganda's population is young (under 18 years of age), indicating a high dependency ratio. According to the Labour force survey 2021, the young were about

52.4 percent of the population, combined with the youth population the share increases to 74.2 percent. Persons with Disabilities (PWDs) declined substantially in 2021 from 5.6 million in 2016/17 to 2.7 million in 2021. Uganda's population density in terms of number of people per square kilometre is 173 persons while the population growth rate is 3 percent per annum. As one moves from the lower age to the higher age categories the proportion of older people becomes smaller. About 23 percent of households are being headed by youths. About 71 percent of the youth live in rural areas while 29 percent live in urban areas (UBOS, 2020).

Table 2: Uganda Population Indicators

Indicators	UNHS		ALFS			Change
	2019/20	2016/17	2017/18	2018/19	LFS 2021	
Population ('000)	40,947	37,730	37,970	39,756	42,880	5,150
Population below 17 years ('000)	18,849	20,940	20,504	21,826	22,469	1,529
Youth population (18-30 years, '000)	7,838	7,735	8,012	8,349	9,348	1,613
Population, Persons with Disability (PWD), '000	4,396	5,551	6,949	7,474	2,658	-2,892

LFS 2021 is based on preliminary results from UBOS
Source, UBOS various LFS reports

In terms of geographical distribution, Wakiso district remains the most populated Higher Local Government (HLG), with a projected population of 2.9 million people followed by Kampala with 1.7 million persons. Kalangala district had the least population, projected at 67,200 persons in-2020. According to the in the 2016/17 Uganda National Household Survey (UNHS), the number of households had increased to 8.3 million up from 7.3 million households in 2014, 75 percent of which are in rural areas while females head about 30 percent of the households. The average number of persons per household stands at 5 persons. In terms of literacy, the proportion of persons aged 10 years and above able to read and write intelligibly in any language (Literacy rate) is 76 percent according to Uganda National Household Survey, 2019/20.

Simply put, the labour force in physical capital is enormous, but what is required for the country is productive, qualified human capital that will contribute more to GDP if employment opportunities are availed. Without a doubt, the demographics indicate that supply of labour in the short, medium and long term will not be a problem, but creating enough absorptive avenues that are decent and sustainable to absorb the burgeoning qualified (semi and skilled) labour needs very well-thought-out pragmatic interventions that are pro-employment creation. Otherwise, the huge labour force and the high dependency ratio imply that social protection systems and services will be overburdened for some time unless human capital development through the increased provision and access to education and good health for this critical mass is invested in.

2.4 LABOUR MARKET DEVELOPMENTS

Uganda's working-age population (aged 14-64 years) increased from 18.8 million to 23.5 million in 2016/17 and 2021 respectively (Table 3). About 4.7 million Ugandans joined the labour force over the five years. Relatedly, the number of employed people in Uganda's subsequently increased from about 8.97million to 10.0 million, showing that about 1.02 million jobs were created over the five years against the 3.1million who had joined the labour market.

The labour force participation rate (LFPR) declined from 52.7 percent to 48.3 percent. Labour force participation rates have gradually declined, irrespective of gender but are much worse among females (39.3 percent), a decline from 44.8 percent in 2016/17 and below the national LFPR of 48.8 percent and male LFPR of 57.9 percent in 2021. In addition, youth LFPR also declined in 2021 to 50.8 percent from 61.9 percent in the ALFS 2018/19. The fact that female and youth LFPR are very low (57.9 percent for young males and 39.3 percent for young females), much worse for females below the national averages, presents a double challenge calling for mainstreaming of female and youth-focused employment initiatives in the NES.

Table 3: Employment, Output, Productivity and Population. Uganda 2016/17-2021

Indicators	ALFS 2016/17	LFS 2021	% change	Absolute Change
GDP at constant 2016/17 prices (Bn UGX)	108,518	130,683	20.4	22,165
Population ('000)	37,730	42,880	13.6	5,150
Working age population ('000) (14-64 years)	18,843	23,494	24.7	4,651
Working population ('000)	15,290	18,354	20.0	3,064
Labour force participation rate (%)	52.7	48.3	-8.3	-4.4
Employment ('000)	8,973	9,996	11.4	1,023
Output per worker ('000)	12,094	13,074	8.1	979.7
Subsistence agriculture	6,253	8,236	31.7	1,983
Employment to Population rate (%)	47.6	42.5	-10.7	-5.1
Unemployment ('000)	959	785	-18.1	-174
Unemployment rate (%)	9.7	11.7	20.6	2.0
Male	8.2	10.2	24.4	2.0
Female	11.5	13.7	19.1	2.2
Youth	13.0	16.3	25.4	3.3
Male	11.4	13.3	16.7	1.9
Female	14.7	20.0	36.1	5.3
PWDs	9.0	10.0	11.1	1.0

Note: LFS 2021 are preliminary results

Source: UBOS reports, various Labour Force Surveys reports and Statistical Abstracts

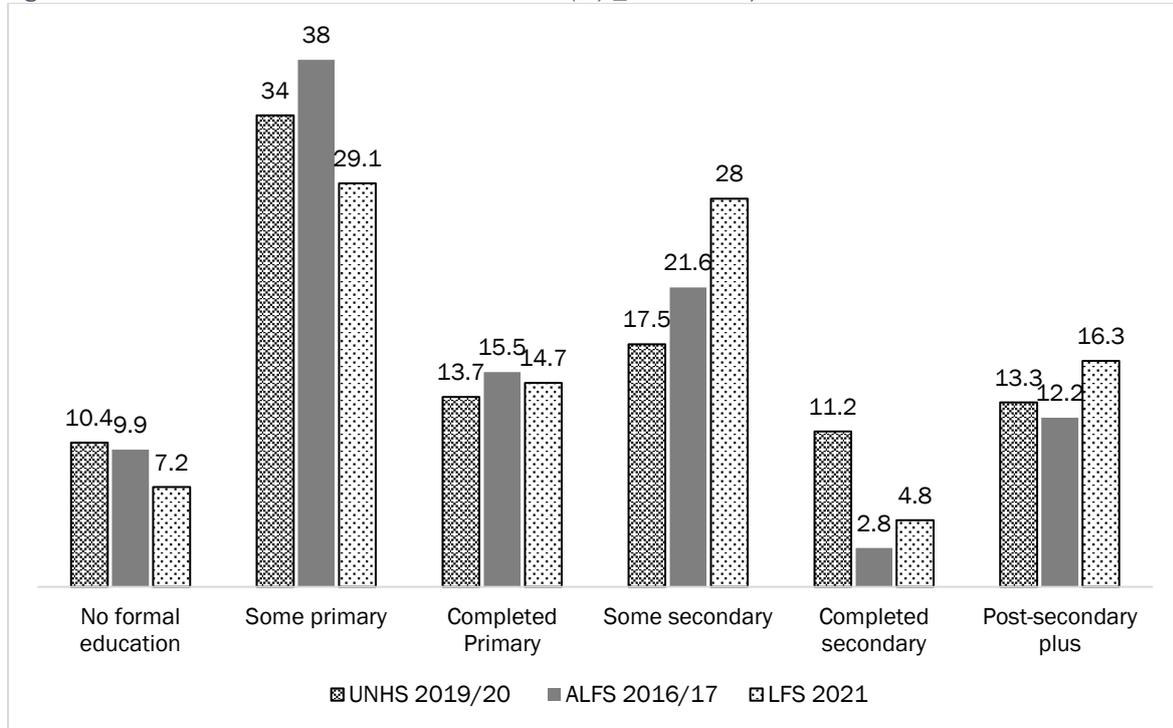
Furthermore, the employment rate dipped from 47.6 percent to 42.5 percent between 2016/17 and 2021, primarily attributed to COVID-19 effects. In terms of productivity, the period between 2016/17 and 2021 saw an increase of 8.1 percent in output per worker and this productivity increase contributed more to the total growth in GDP over the 3-year period.

Uganda' Labour force by educational attainment

Trends in the level of education attainment by Uganda's labour force overtime indicate that, overall, much of the workforce in 2021 was dominated by workers who had not completed primary education, followed by those who completed primary education and those who attained some post-primary education but did not complete secondary education at 29 percent, 28 percent and 16 percent respectively (Figure 5). Concerning, education level of persons in employment by occupation, findings from LFS 2021 (Table 4) highlight those semi-skilled occupations (services and sales workers; skilled agricultural workers, forestry, and fishery workers; craft and related trades workers; plant machine

operators and assemblers and elementary occupations) have persons who have attained some primary and some secondary education. These are jobs that the BTVET system should massively target to re-skill for more productive jobs. Overall, the skill education level of the labour force is still low, which further reinforces the need for prioritization of skilling within the National Employment Strategy (NES).

Figure 5: Education attainment of the labour force (%) _ALFS 2016/17 to LFS 2021



Note: LFS 2021 are preliminary results

Source: Computations from UBOS 2016/17 and 2021 Annual Labour force Surveys

Table 4: Occupations of persons in employment by level of education, 2021 (%)

Occupation of employment on the main job	No education	Some Primary	Completed primary	Some Secondary	Completed Secondary	Post primary specialized training and above	Not stated	Number ('000)
Managers	0.0	9.7	3.6	17.5	10.8	58.4	0.0	100.3
Professionals	0.2	0.4	0.2	7.6	2.8	87.6	1.3	520.1
Technicians and Associate Professionals	0.5	3.6	5.7	17.3	4.4	68.0	0.5	291.2
Clerical Support Workers	0.0	0.0	3.2	16.6	9.0	71.2	0.0	67.0
Service and sales workers	5.8	24.4	15.3	34.9	7.0	11.3	1.4	2,493.3
Skilled agricultural, forestry and fishery workers	9.6	37.8	18.6	23.7	2.9	6.6	0.8	2,402.0
Craft and related trades workers	5.6	28.2	16.5	31.9	4.9	12.2	0.8	1,174.2
Plant and machine operators and assemblers	1.8	32.6	16.8	37.0	4.5	6.1	1.1	656.5
Elementary occupations	15.5	43.0	14.6	22.0	2.4	1.7	0.8	1,186.1
Armed forces occupations	0.0	6.5	6.6	55.4	20.8	6.6	4.1	27.9
Not stated	0.0	4.7	3.2	27.8	12.0	48.1	4.1	30.3
Total	7.2	29.0	14.9	27.5	4.6	15.9	1.0	8,948.9

Notes: LFS 2021 is based on preliminary results from UBOS

Source: Compiled from UBOS Labour Force Survey, 2021

On the qualification/skilled nature of the labour force, the 2021 LFS reveals that most unemployed persons have some secondary, completed secondary education and post-secondary plus education, with the unemployment rate at about 13 percent, 17.5 percent and 11.4 percent in these categories respectively. Noting that, the lowest unemployment rate at 9.1 percent among the illiterate indicates an existing structural problem. The illiterate find alternatives and are self-employed compared to the semi- and literate persons who wait in hope of being absorbed in formal employment after school.

The mismatch between the level of skills/qualifications (supply) and the demand of labour is a structural challenge in Uganda's labour market that need to be pragmatically resolved in the NES. For example, the majority of the employed in agriculture are undereducated, while production (industry) employs more persons who are overeducated for the jobs they hold (Table 5). Labour force statistics (2021) reveal that 36.1 percent of the labour force and 19.8 percent of the unemployed people in Uganda have less than primary education and are illiterate. The disharmony between job-seekers qualifications and labour market demand is another indicator of this situation.

Table 5: Education mismatch of the population in employment, %

Characteristics, 2021	Matching	Over educated	Under educated	Not stated
<i>Panel A: Sector of employment</i>				
Agriculture, forestry, and fishing	40.7	10.1	49.0	0.2
Production	47.0	19.4	33.6	0.0
Services	52.0	14.6	32.9	0.4
<i>Panel B: Occupation</i>				
Managers	65.0	0.0	35.0	0.0
Professionals	83.1	0.0	16.9	0.0
Technicians and Associate Professionals	68.5	0.0	31.5	0.0
Clerical Support Workers	31.0	61.0	8.0	0.0
Service and sales workers	50.5	11.7	37.8	0.0
Skilled agricultural, forestry and fishery workers	30.4	7.1	62.5	0.1
Craft and related trades workers	42.5	12.1	45.4	0.0
Plant and machine operators and assemblers	41.1	5.7	52.6	0.6
Elementary occupations	64.7	35.0	0.0	0.3
LFS2021	47.8	14.0	37.9	0.3
UNHS 2019/20	50.0	15.0	34.5	0.4
NLFS 2016/17	42.3	9.6	48.2	0.0

Notes: LFS 2021 is based on preliminary results from UBOS

Source: Compiled from UBOS various Labour Force Surveys reports

Rationale for prioritising Education and Skilling under the National Employment Strategy

Investing in human capital development (HCD) cannot be overstated. The education sector accounts for approximately 51.8 percent of the HCD programme allocation. Specifically, investments in education and training account for 15.2 percent -18 percent of the total education sector allocation. Uganda's education and training sector benefits from a 10.5 percent budgetary allocation, which is way above the Belem Framework of Action of 2009 commitments. Under the framework, Uganda agreed to improve adult learning and education across five action areas: policy; governance; financing; participation, inclusion, and equity; and quality. Government committed to investing at least 6 percent of its Gross National Product in education, with an increasing share allocated to adult learning and teaching.

Policies such as the National Adult Literacy Policy, the Integrated Community Learning for Wealth Creation (ICOLEW) programme, the Jobs and livelihoods integrated response plan, the Education Response Plan (ERP) for refugees and host communities, the Technical Vocational Education Training (TVET) policy, the Persons with Disabilities Act, the Village Savings and Loan Associations guidelines (VSLA), the Uganda National Apprenticeship Framework (UNAF) have seen progress made in Uganda's adult learning and education sector (Life-Long learning agenda of UNESCO).

The latest evidence from MoES shows that the number of secondary schools increased by 26 percent from 2,373 in 2007 to 3,000 in 2017, the public TVET institutions from 126 in 2012 to 152 in 2018; universities and other degree awarding institutions from 34 in 2011 to 60 in 2017. However, challenges still exist. These include low enrolment in TVET compared to universities mainly due to the negative perceptions associated with TVET; rigid supply-driven curriculum; weak linkage of TVET and universities with industry; unsustainable financing of TVET and university education; limited internationalization of TVET awards; weak quality assurance systems; and fragmentation of mandates within the TVET system. In addition, there is mismatch between university admissions and national skills gaps; low staffing levels; limited focus on the incubation of research and STIs into goods and services; and weak alignment between university curricular and lower education sub-sectors (NPA, 2020).

The increase in number of secondary and TVET institution has also not maintained students in school. For example, dropout rates remain high especially for girls. The high dropout rates are observed as one advances from primary to secondary, and to tertiary. This implies that most of the dropouts do not have the adequate basic skills to contribute meaningfully to economic development, hence the need to further emphasise the need for education and skilling within the NES.

Several reforms in training have been implemented at the TVET and secondary level. These include university student loan scheme, revised O level curriculum, a national qualifications framework. Nonetheless, little application and uptake of modern and appropriate technology to maximize productivity and lack of a reliable, shared database for monitoring the transition from school to employment makes it difficult to measure the effectiveness and efficiency of the education and training programs. For this reason, establishing a monitoring and evaluation system is essential to integrate into the social security system.

Uganda still has over 42.9 million people, mostly female (21.79 million) and illiterate (11 percent) compared to 6 percent illiterate males. In addition, 44.2 percent of females have some primary education compared to 43 percent of males (UBOS, 2021). High illiteracy rates mean that a significant majority of Ugandans cannot fully participate in the development process. Therefore, prioritising the establishment of community adult learning centres is crucial. In addition, those in existence need proper monitoring and evaluation as the private sector players dominate them.

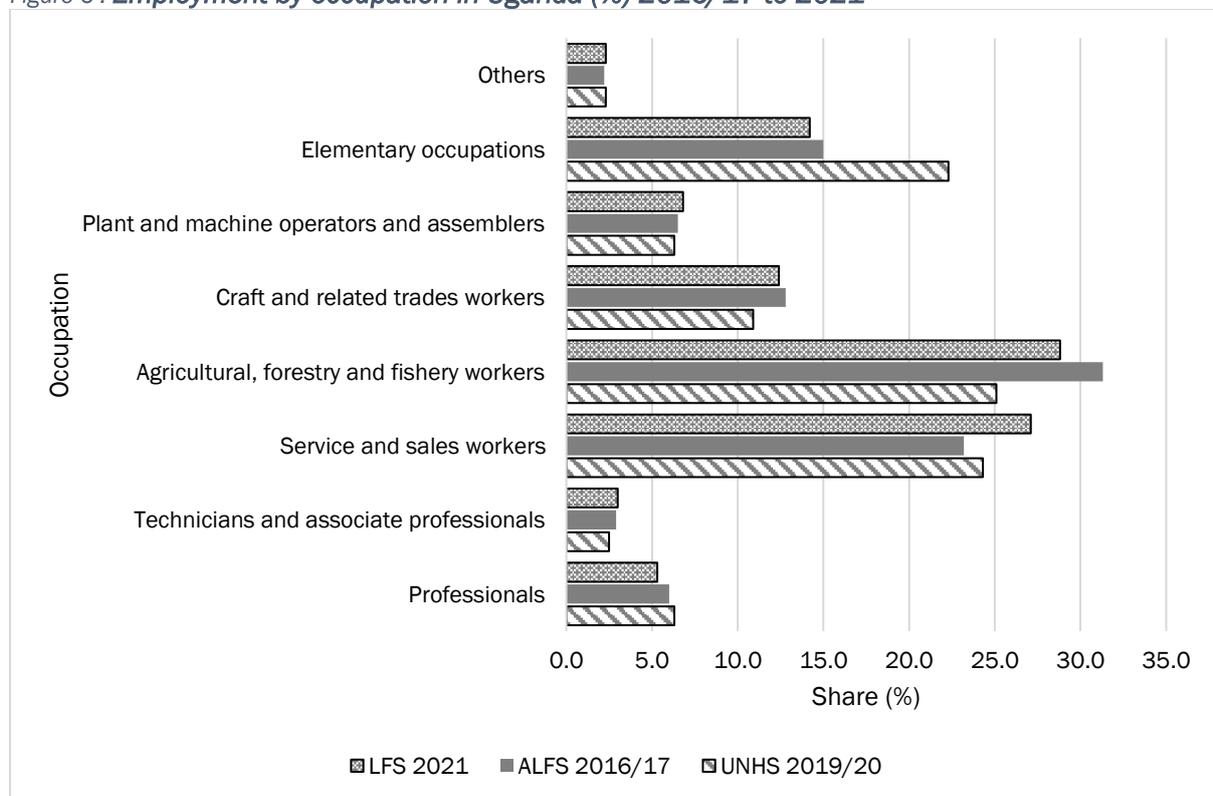
Employment by occupation in Uganda

Overall, occupations of persons in employment in Uganda have been dominated by skilled agricultural workers, who accounted for 29 percent of the occupations, followed by service and sales workers, who accounted for 27.1 of the occupations in 2021. Regarding trend,

the proportion of agricultural, clerical, and elementary occupations slightly declined in 2021 from 2016/17 (Figure 6).

Further insights into this show that the skills pyramid in Uganda’s labour market is triangular in nature. That is, the highly skilled occupations, including managers and technicians, account for less than 5 percent. In contrast, moderately skilled agricultural workers, and service and sales workers accounted for about 25 percent and 28 percent in 2021, respectively. In addition, plant and machine operators within the industrial and manufacturing sectors accounted for about 13 percent in 2021, while low-skilled elementary occupations accounted for less than 3 percent. Furthermore, the 2021 LFS specially notes that service and sales workers hold majority of the informal jobs-over 43 percent and most likely in trade related activities. The segmentation of occupations and skills in Uganda’s labour market implies that the NES needs to be cognizant that there is scope for upgrading skills among Ugandans in the bottom ranks of the pyramid to move up through apprenticeships and on-the-job training.

Figure 6 : *Employment by occupation in Uganda (%) 2016/17 to 2021*



Note: LFS 2021 are preliminary results
 Source: Computations from UBOS 2016/17 and 2021 Annual Labour force Surveys

Child and forced labour

Child labour is also one of the challenges within Uganda’s labour markets. According to LFS 2021, Children aged 5-17 years constituted 37 percent (15.7million) of the total population with 70 percent of the children aged 5-17 years were engaged in some forms of work. On average, the children spent 43 hours per week on work (girls 47hrs; boys 38hrs). Thirty six percent of children aged 5-17 years were in child labour excluding household chores with more males than females.

Findings from the Labour force Survey report of 2021 from UBOS show that most (47

percent) of the working children were in other subsistence work followed by those in subsistence agriculture (42 percent. This implies that almost to 9 in 10 children are involved in subsistence activities such as subsistence agriculture, household chores, fetching water, collecting firewood.

Unemployment and underemployment among youths, women, and Persons with Disabilities

The Youth unemployment rate is above the national average. While the national unemployment rate was 11.7 percent in 2021, youth unemployment was even higher at 16.3 percent. Over the same period, the female youth unemployment rate of 20 percent contributed more to the overall youth unemployment rate compared to the male youth (13.1 percent) and youth PWDs-Table 3. Overall, the unemployment rate increased in 2021 compared to all the previous periods, which was highly attributed to distortion in the labour market due to COVID-19.

Persons with Disabilities (PWDs) face unique employment challenges. While the unemployment rate of persons without disabilities (9.7 percent) was relatively higher than that of their counterparts with disability (9.0 percent) in 2016/17, there was a slight improvement in 2021 (Table 3). The likely scenario is that those with disability get demotivated, stop their job search, and join the ranks of the inactive population. In addition, the negative perception about PWDs by some employers; high-cost implications of hiring a PWD person, for instance, software, personal assistants, and wheelchairs; difficulties in getting information on employment as some PWDs are unable to read or listen; and low esteem among PWDs, are among the challenges they face.

Women, youth, persons with disabilities (PWDs), refugees and migrants comprise vulnerable groups with low labour force participation rates. These often work without contracts and are underpaid, making many working persons considered poor. Their places of work are also informal hence undertaking work that is not necessarily decent. As a result, these groups face an even higher chance of being unemployed despite the legal and policy environment that has been put in place but not enforced to oversee them.

Regulations or laws and policies such as the National Gender Policy,2007; Equal Opportunities Act, 2007 provide for the elimination of discrimination and inequalities against any individual or group of persons on the ground of sex, age, race, colour, ethnic origin, tribe, birth, creed or religion, health status, social or economic standing, political opinion or disability, and take affirmative action in favour of groups marginalized based on gender, age, disability or any other reason created by history, tradition or custom to redress imbalances which exist against them; and to provide for other related matters. However, employment attainment has been more in the political space and less observed in different spheres of workplaces.

Besides the low level of education, social gender roles which burden both men and women (men with the responsibility of work to take care of homes as the heads and the women with the responsibility of care and domestic work) derail full labour force participation and employment rates of women. Therefore, improving and extending institutional support mechanisms of care services are essential for increasing women's labour force participation rate.

Regarding underemployment, about 50.8 percent of the youth were in wage-related inadequate employment with gender biases in which female youth were more disadvantaged. Combined with time-related inadequate employment, the youth's unemployment rate rises to 25 percent. Only 37.1 percent of the 9.1 million youth were in employment, 16.3 percent in school, and 40.4 percent were neither in employment nor in education training (NEET). The high NEET is worrisome, where are these youths? Why do they not aspire to work? Limited possibilities for internships, apprenticeships, and inability to obtain necessary skills required by employers in education life (as only 1.1 percent of the youth in the labour force had trade or technical skills and were specialised), it is hard for youth who are in the process of transiting to the labour markets to find jobs. Policies and initiatives towards first-time job seekers will improve the employability of youth, female youth, and PWDs.

Each vulnerable group faces problems with entry into and into the labour market. The main issues for these groups are relatively low levels of education and skills, an insufficient adaptation of flexible work in legislation and work life, social gender roles for women, entry into first job problems for youth (no or limited duration of available internships and apprenticeships) and current social living spaces limiting the mobility of the PWDs.

Low productivity, informality, and vulnerability in Uganda' Labour market: Making a case for prioritising social protection in the National Employment Strategy

Due to low labour force participation and registered employment (high informal sector) in Uganda, a significant proportion of the working-age population is excluded from the social insurance system. This increases the number of people in need of social assistance. The working poor, underemployed and those who are unemployed increase the need for social protection.

In Uganda, employment in rural areas is mainly in agriculture, where the added value per capita is low. Thus, 36.0 percent of employment was in the agriculture sector in 2021, and the share of this sector in GDP was only 2.3 percent. It is the most important fact that leads to high poverty in rural areas. Besides, most of the population from agriculture (subsistence farming in particular) are excluded from the labour market or those employed, work with low wages, and work temporarily and without security, as their qualifications are not adequate for jobs in urban areas. Therefore, the imbalance between the share of agriculture in employment and the agricultural share in income distribution and the labour force situation of the population arising from agriculture in urban areas increases the need for social protection both in rural and urban areas. Moreover, the services sector, now the biggest employer, is also highly informal and has low-productive jobs that earn less wages for persons working in the sector.

According to the UNHS 2019/20, the income poor were 8.3 million (20.3 percent), with a substantial share dubbed as working but poor (living below the national poverty line). Although a significant number of employable populations among the poor employed, those people are working in temporary and precarious jobs with low wages due to both the low level of their qualifications and characteristics of the agriculture sector where they primarily work and trade (services in general) which is also highly informal in nature. Therefore, poverty risk is high for workers in the formal and informal sectors earning below the poverty line and with high dependency ratios (many children). Thus, within the scope

of social insurance, the need for social protection increases for poor people, especially those working with minimum income or in informal employment. Besides, social assistance in Uganda is fragmented and less funded. It mainly targets the elderly and persons in formal employment where rules, regulations and laws work if enforced.

Projects to make employable poor people more productive and ensure sustainable income should be a key for this NES. Such initiatives have been stated in Pillar II, such as Emyooga, Parish Development Model (PDM), Business Development Services (BDS), and Uganda Women's Entrepreneurship Programme (UWEP). However, the need for strengthening and activating the link between social assistance and employment through these programme frameworks remains. Lack of communication and cooperation among the institutions working in the field of social assistance in Uganda and the lack of objective criteria make it difficult to deliver efficient and adequate services for people in need and to use the resources efficiently and effectively.

Data on who is poor and eligible for social assistance is needed. But more importantly, for the NES suggested initiatives towards strengthening social assistance and employment links, the programmes need to be designed to be non-excludable for eligible categories, considering Uganda's context and budget availability. This will allow for self-selection. The ratio of social expenditures to GDP in Uganda is 0.1 percent which is relatively low compared to Kenya and Tanzania.

2.5 SECTOR-SPECIFIC ANALYSIS

Employment by sectors in Uganda

Broad sectoral breakdown of employment indicates limited transformation arising from the industry. Both agriculture and industry sectors' share in total employment is declining. The employment share of agriculture, forestry and fisheries sectors dropped from 41.2 percent in 2016/17 to 36.0 percent in 2021, while that of the industry also declined from 16.4 percent to 13.8 percent. While employment share was reducing in agriculture and industry, services increased from 42.3 percent to 50.3 percent (UBOS, LFS, 2021). Unlike the Asian Tigers, whose structural transformation was driven by industry, in particular manufacturing, similar interventions might not work for Uganda, whose transformation path might arise from harnessing the power of the services sector. Therefore, these trends seem to suggest shifts from the low-productive agriculture sector to low productive but slightly better service sector, which has been witnessed in many developing countries. Even with policies and programmes that facilitate access to credit, protection of production for local markets, and local content policies [Buy Uganda Build Uganda (BUBU), and Local Economic Development (LED)] in place, productivity growth is not being realised. The World Bank (2018) study using the Jobs Generation and Growth Decomposition (JoGGs) framework confirms the lack of absorption of workers in high-productivity sectors in the recent past.

Sectoral distribution of females the labour force indicates that there mainly employed in agriculture, forestry and fisheries sector, followed by trade, hotels and restaurants. Vulnerable employment (own account workers and contributing family members). Active participation of these vulnerable groups is essential for social inclusion and driving the increasing active labour force participation rates in the NDP III.

Overall, with a total of **1.03** million jobs created over the five- year period (Table 6), it implies that on average, the Ugandan economy created 206,399 jobs per year which is

short of the 512,000 jobs that need to be created annually as laid out in the third National Development Plan (NDP III). This implies that strategies in the NES need to align both the microeconomic, business, and macroeconomic policies to ensure that economic growth in Uganda is pro-employment and generates more jobs to match the labour demand over the NDP III implementation period compared to the reference period.

Cognizant of this, is that agriculture, forestry and fisheries, trade and manufacturing still create more jobs. New job creation during the five years was mainly dominated by trade, transport and storage and the construction sectors, which contributed 614,810, 223,874 and 73,934 jobs, respectively (Table 6). On the other hand, the Covid-19 pandemic led to job losses in the education and manufacturing sectors led to 157,579 and 69,776 job losses, respectively. With skilling being a key component of job creation and productivity in the different sectors, the Strategy needs to emphasize retention strategies for teachers and trainers in the education sector and promote job recovery within the manufacturing sector during the post-COVID-19 era.

Table 6: Employment by industry of economic activity, 2016/17-2021

Industry	Total employment			Created jobs by sector in 5 years	Employment/pop. of working age		
	2016/17	2021	% Change		2016/17	2021	% Change
Agriculture, forestry and fishing	3,670,366	3,708,516	1.0	38,150	18.2	15.8	-13.0
Trade	1,624,294	2,239,104	37.9	614,810	8.0	9.5	18.6
Manufacturing	879,452	809,676	-7.9	(69,776)	4.3	3.4	-20.8
Transport and storage	385,882	609,756	58.0	223,874	1.9	2.6	36.0
Education	547,414	389,844	-28.8	(157,570)	2.7	1.7	-38.7
Construction	385,882	459,816	19.2	73,934	1.9	2.0	2.5
Other service activities	296,142	299,880	1.3	3,738	1.5	1.3	-12.9
Hotels, restaurant	314,090	399,840	27.3	85,750	1.6	1.7	9.6
Activities of household employers	143,584	239,904	67.1	96,320	0.7	1.0	43.8
Human health and social work activities	143,584	219,912	53.2	76,328	0.7	0.9	31.8
Public administration	116,662	219,912	88.5	103,250	0.6	0.9	62.2
Other Activities	466,648	409,836	-12.2	(56,812)	2.3	1.7	-24.4
Total	8,974,000	10,005,996	11.50	1,031,996	44.38	42.59	-4.04

Notes: LFS 2021 is based on preliminary results from UBOS

Source: calculations from 2016/17 and 2018/19 Uganda Annual Labour force Surveys, Uganda Bureau of Statistics (UBOS)

Estimates further also show that although the movement of workers between sectors (inter-sectoral shifts) are predominant in the trade manufacturing, agriculture and transport sectors, the direction of movement is different between the three sectors. A sectoral breakdown of inter-sectoral shifts shows that trade, transport and storage, construction, hotels and restaurants, household enterprises, public administration and human and social work were net recipients of workers. On the other hand, agriculture, manufacturing, education, and services have been net loser of workers over the five-year period (Table 7).

Table 7: Decomposition of Inter-sectoral Shifts. Uganda 2016/17-2021

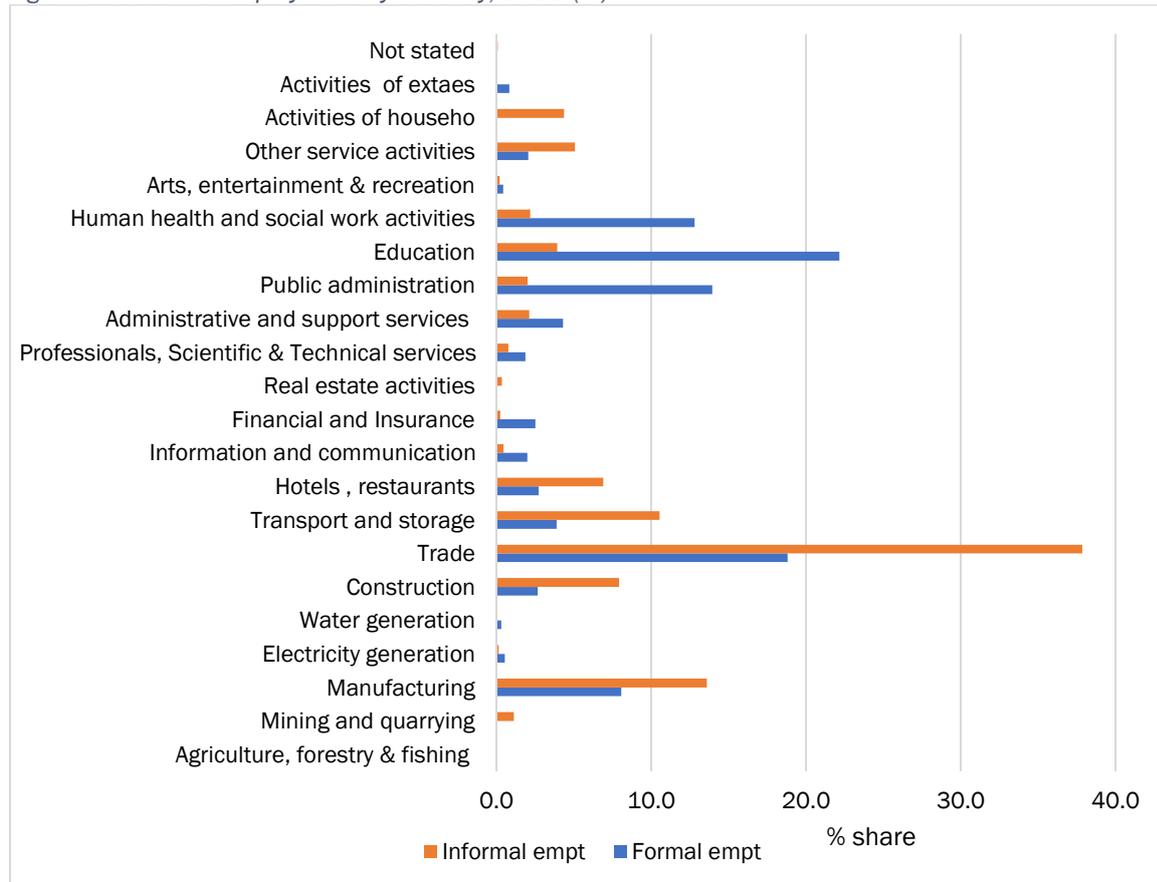
Sectoral contributions	Direction of Employment Share shift	Contribution to Inter-sectoral Shifts (%)
Agriculture, forestry and fishing	-	-22
Trade	+	37
Manufacturing	-	41
Transport and storage	+	10
Education	-	-2
Construction	+	-2
Other service activities	-	-1
Hotels, restaurant eating places	+	2
Activities of household employers	+	7
Human health and social work activities	+	-8
Public administration	+	-11
Other Activities	-	48
<i>Total Contribution of inter-sectoral shifts</i>		<i>100</i>

Notes: LFS 2021 is based on preliminary results from UBOS

Source: Compiled from UBOS various Labour Force Surveys reports and World Bank JOGGS model, 2022

Structural impediments of Uganda's labour markets largely explain the shifts noted above. One of the causes is the high level of informality in the Ugandan labour market. The share of persons in informal employment (excluding subsistence agriculture) during the period 2016/17 and 2021 remained high despite the slightly declined. During this period, the share of informal employed persons declined from 93.6 percent to 87.9 percent with gender biases. Female share in informal employment in 2021 was 91.2 percent, while the males share was 85.6 percent (UBOS LFS 2021). As Figure 8 further illustrates, majority of persons that are in informal employment are in trade (37.9 percent) followed by manufacturing (13.6 percent), transport and storage (10.6) and hotels and restaurants (6.9 percent). Measures by the government to increase the domestic revenue base, social security contributions, incentives on taxation, and attracting Foreign Direct Investments, all geared towards economic development, partly explain the large informal economy and its dynamics. Informality in employment is higher in services (trade in goods and services, transportation, hotel and restaurants, agriculture and low-end value addition in agro-processing). The informality in employment is also high among the youth and persons with low education attainment.

Figure 7: Nature of employment by industry, 2021 (%)



Notes: LFS 2021 is based on preliminary results from UBOS
 Source: Compiled from UBOS Labour Force Survey, 2021

The key insights from the sector analysis is that NES needs to further align itself to industries that are not only growth enhancing but also job creators. These are highlighted in Table 6 as Agriculture, manufacturing, trade, works and transportation (transportation and storage), tourism (hotels and restaurants), construction, and real estate. Furthermore, as NDPIII emphasises, the new industry on the lookout as an engine for growth is Oil and gas. Further analysis on these is undertaken in the next subsections below in no order of priority.

2.5.1 PRIORITY PROGRAMME ANALYSIS

2.5.1.1 TOURISM

The tourism sector remains one of the fastest-growing economic sectors in Uganda. Before the COVID-19 pandemic, the tourism sector contributed 6.2 percent of the country's Gross Domestic Product (over USD 2bn) and employed 589,300 people, translating into 3.6 percent of total employment. According to the 2021 Annual Labour Force Survey from UBOS, hotels, restaurants and eating places employed 399,840 persons, accounting for 4 percent of total employment. The employment of 399,840 persons represented a growth of 85,750 new jobs compared to the 314,090 persons employed by the same sector during the 2016/17 Annual labour force survey. This implies that, on average, 17,150 jobs have been created annually, which is short of the NDP III targets below. Given the increase in the working-age population between 2016/17 and 2021, it implies that contribution of the hotels, restaurants and eating places to total employment has stagnated at 4 percent.

Labour productivity within the hotels, restaurants and eating places sector in terms of annual output per worker saw a reduction from 10.2million shillings in 2016/17 to 8.04 million shillings in 2021, representing a 21 percent decrease. Regarding inter-sectoral shifts, the hotels, accommodation and eating places sector was a net recipient of workers from other sectors between 2016/17 and 2021, contributing 2 percent to the total movements of workers between sectors.

Tourism has been identified as one of the five priority sectors in the NDP III. There are several critical strategic results, which include increasing annual tourism revenues (foreign exchange earnings) from USD 1.45 billion in 2017/18 to USD 1.862 billion in 2024/25; increasing the share of tourism to GDP from 7.3 percent recorded in 2017/18 to 8.5 percent in 2024/25; and maintaining the contribution of tourism to total employment at 667,600 people (NPA, 2020).

2.5.1.2 AGRO-INDUSTRIALISATION

In terms of employment, agriculture, forestry, and fishing remain the largest sector in terms of employment in Uganda. The sector employed 3.67 million Ugandans in 2016/17, which increased to 3.71 million Ugandans in 2021, accounting for 41 percent and 37 percent of total employment in 2016/17 and 2021, respectively. This implies that the agriculture sector still accounts for most employees in Uganda. Regarding job creation, 38,150 new jobs were in the agriculture sector between 2016/17 and 2021, implying that about 7,630 jobs were created annually within the industry over the five years. According to the NDP III, this is far below the job creation target of 180,000 annual jobs in the sector. With a dismal 1 percent job growth in the agriculture sector over the last five years, a robust agro-industrialization agenda needs to be implemented as part of the Strategy

Productivity in Uganda's agricultural sector is still low. A large share of employment in the agricultural sector is informal, with 71 percent of the few formal agricultural businesses employing less than 5 employees. In comparison, 20 percent of them have between 5 to 9 employees. The low agricultural labour productivity levels are partly attributed to Uganda's high agricultural employment per hectare of arable land.

According to the 2021 UBOS labour force survey, 70 percent of the workers in the agriculture sector were engaged in their production or subsistence agriculture, while only 30 percent were involved in market-oriented agriculture leading to low productivity and job growth in the sector. Therefore, to increase agricultural employment, the National Employment Strategy needs to embed initiatives for agro-industrialization and value addition within the agriculture sector to shift most agricultural employees from their production (subsistence) to market-oriented agriculture.

2.5.1.3 MANUFACTURING

According to findings from the 2021 National Labour force Survey (NLFS) from UBOS, the manufacturing sector employed 809,676 Ugandans in 2021. It accounted for 8 percent of the total 9.99million jobs from all the economic sectors in the country. The 809,676 jobs in 2021 represent a decrease of 69,776 jobs compared to the 879,452 jobs in the manufacturing sector in 2016/17. Covid-19 has occasioned these job losses in manufacturing in 2020, which led to shutdowns and a slowdown of the economy.

This implies that to achieve the NDP III target of 10 percent manufacturing jobs, the manufacturing sector needs to create 190,924 jobs by the end of the NDPIII period in

2025. This implies that the manufacturing sector will have to create about 63,641 annually for the next three years to hit the NDP III target by 2025. In terms of contribution to annual GDP growth, the manufacturing sector has, on average, contributed 5 percent over the last 10 years, while manufacturing value added as a percentage of GDP has averaged 16 percent in the previous 10 years (World Bank Development Indicators 2021).

In 2021, the share of the working population in the industrial sector (comprised of manufacturing, mining, and quarrying, construction, and utilities such as electricity and water supply) declined to 5.1 percent from 7.4 percent that had been attained before Covid-19 happened. This reversal in share employment in the industrial sector implies that additional efforts must be implemented within the National Employment strategy to hit the pre-COVID target of 10 percent as laid out in the NDPIII. Regarding inter-sectoral shifts, Uganda's manufacturing sector was a net loser of workers and contributed 40 percent of the total inter-sectoral changes between 2016/17 and 2021.

Based on computations using data National accounts data and the LFS 2021 from UBOS, labour productivity in the manufacturing sector (in terms of GDP output per worker year) increased by 34 percent between 2016/17 and 2021. A sectoral growth decomposition in terms of percent contribution to total Growth in GDP (value added) per capita shows that the manufacturing sector contributed 24 percent to GDP value added per capita between 2016/17 and 2021.

According to the NDP III, Uganda's manufacturing sub-sector is tiny, uses basic technology and creates low quality and quantity of gainful jobs. The significant challenges underlying the manufacturing sector in Uganda include (i) lack of requisite infrastructure to support manufacturing; (ii) limited access to financing mechanisms that can support manufacturing, (iii) weak SMEs in the industrial sector; (iv) proliferation of substandard goods and counterfeits on the market; (v) Poor linkage between trade and industrial development (vi) lack of a support system to nurture innovations to full commercialization (vii) high cost of doing business, (viii) low labour productivity due to inadequate skills, and (ix) weak legal framework to support and promote manufacturing.

2.5.1.4 OIL AND GAS

According to estimates from the Petroleum Authority of Uganda, oil and gas will be vital in providing employment opportunities to Ugandans. About 14,000 people will be directly employed by the companies, while the contractors will indirectly employ about 45,000 people. An additional 105,000 people will benefit from induced employment based on utilising other services by the oil and gas sector. Of the direct employment, 57 percent are expected to be Ugandans, likely resulting in an estimated USD 48.5 million annual payment to Ugandan employees. Ugandan nationals directly employed by the oil companies as of September 2021 stand at 81 percent, with 59 percent in management, 75 percent technical and 100 percent of their support staff.

Production Capacity: Uganda has an estimated 6.5 billion barrels of oil, of which 1.4 billion barrels are estimated recoverable. In addition, gas resources are currently estimated at 500 billion standard cubic feet (BCF).

Value chain: The oil and gas value chain comprise the upstream, which entails the promotion, licensing, exploration, development, and production of petroleum resources;

midstream which involves transportation, refining of oil and conversion of gas and downstream, which entails distribution, marketing and sale of petroleum products.

Institutional arrangements: The Petroleum Authority of Uganda (PAU) and the Uganda National Oil Company (UNOC) have been operationalized to regulate the petroleum industry and manage the business/commercial interests, respectively. In 2018, Government approved the National Content Policy for the Petroleum Sub-sector in Uganda. The policy aims to increase the participation of Ugandans in oil and gas activities, and it provides principles for capacity building for national enterprises, skills development for the oil and gas sector, as well as the development of a National Local Content Fund to support national enterprises and promote national participation in the industry. Ugandans who would like to work in or supply goods and services to the sector have been encouraged to register on the National Supplier Database (NSD) and the National Oil and Gas Talent Register (NOGTR) via the Petroleum Authority of Uganda's website. To date, over 2,200 companies are qualified and registered on the NSD in 2021, up from 513 in 2017. Between 2017 and 2020, USD 52m out of the USD 147m spent by the licensed oil companies on procurement was on local entities owned by Ugandans, representing 35.8 percent of the total procurement spend by the International Oil Companies.

Skills development in the Oil and gas Sector: Through the auspices of the PAU and the Ministry of Education and Sports, the Oil and Gas Trainers Association of Uganda (OGTAU) was formed to provide a platform to coordinate and advocate for skills development in the sector. Uganda has witnessed several Government and Private training institutions acquire international accreditation to provide certified training programs. These include the Uganda Petroleum Institute, Kigumba, Kiryadongo Technical Institute, Iganga Technical Institute, Nawanyago Technical Institute, Kibasa Technical Institute, Sun maker, Solid Rock, The Assessment and Skilling Centre (TASC), Safe Way Right Way and SEAOWL, among others.

The National Oil and Gas Talent Register (NOGTR) was set up in 2019 and the total registered talent is over 5000 individuals and 120 companies. In addition, 4,435 Ugandans have been trained in various technical disciplines to participate in the oil and gas sector competitively. In addition, 1,700 Small and Medium Enterprises (SMEs) had built-in capacity in health, safety, and environment, bid management, financing, and corporate governance, among others. 546 entities registered on the NSD have contracts in the country's oil and gas sector. Of these, 498 (91 percent) were Ugandan entities, while 48 (9 percent) were non-Ugandan. (Petroleum Authority of Uganda 2022).

2.5.1. 5 CONSTRUCTION AND REAL ESTATE

According to the LFS 2021, the construction sector employed 459,816 Ugandans in 2021, accounting for 5 percent of the total employment. This represented an increase of 73,934 jobs from the 385,882 Ugandans employed by sector in 2016/17, where the construction sector accounted for 4 percent of total employment. In terms of job creation, it implies that, on average, the construction sector created 14,787 jobs annually over -five years. This dismal job growth in the construction sector was occasioned by the Covid-19 pandemic in 2020 and the cost-of-living crisis that saw construction materials' prices increase rapidly from 2021 onwards. In addition, the construction sector's employment to working age population ratio increased from 1.9 percent to 2 percent between 2016/17 and 2021, representing a 2.5 percent change.

Labour productivity: Despite dismal employment growth in the construction sector, labour productivity in terms of output per worker in the construction sector was relatively high and increased by 17 percent from about 15.8 million shillings to approximately 18.5 million shilling per worker per year between 2016/17 and 2021. Overall, labour productivity in the construction sector is second only to the manufacturing sector, implying that the construction sector provides productive jobs that can potentially move workers out of poverty.

Regarding inter-sectoral shifts, the construction sector was a net recipient of workers between 2016/17 and 2021. A breakdown of the profile of growth in the construction sector shows that changes in labour productivity within the sector have had an enormous and positive contribution to total growth in GDP or value added per capita at the national level and accounted for 10.4 percent. In comparison, changes in employment and inter-sectoral shifts within the sector accounted for 1.2 percent and 1.3 percent, respectively.

2.5.1.6 WORKS AND TRANSPORTATION

Transport and storage activities include Road, rail, water and air transport, Warehousing, as well as Posts and courier activities. The sector contributed 3.2 percent to GDP in 2020/21, a decline from 3.4 percent registered in 2019/20. Similarly, the value added for the sector declined by 0.3 percent in 2020/21 from a drop of 1.7 percent in 2019/20. This decline was attributed to Warehousing and support activities and Postal services, which have both contracted in the last two years. Worth of notice that road transport registered a growth of 6.3 percent in 2020/21, recovering from a decline of 2.1 percent in 2019/20. This recovery is attributed to easing public transport restrictions in the COVID-19 pandemic post-lockdown period. In nominal terms, the sector recorded a value addition of Uganda Shillings of 4,804 billion in 2020/21, up from Uganda Shillings of 4,792 billion recorded in 2019/20 and Uganda Shillings of 3,621 billion in 2016/17.

The share of the working population in Transport and storage activities declined from 3.2 percent in 2016/17 to 3.0 percent in 2019/20. The sector was notably dominated by males (5.8 percent) compared to females (0.1 percent) in 2019/20. In addition, only 5.7 percent of the employed population was in the transportation and storage sector in 2019/20, an increase from 5.5 percent recorded in 2016/17.

2.5.1.7 TRADE

According to the 2021 Annual Labour force survey conducted by UBOS, the trade sector was the second biggest employer in Uganda after agriculture employing 2,239,104 Uganda and accounting for 22 percent of total employment in 2021. In terms of employment growth, employment in the trade sector grew from 1,624,294 in 2016/17 to 2,239,104 jobs representing a 38 percent growth with the creation of 614,810 jobs during the five years. This implies that, on average, 122,962 jobs were created from the trade sector annually, which means that despite being the second largest in total employment, the trade sector was the largest in terms of new jobs created annually. In addition, the ratio of employment to the working population in the trade sector increased from 8 percent to 9.5 percent between 2016/17 and 2021.

Labour productivity: Despite the relatively high numbers of persons employed in the trade sector, labour productivity in the trade sector is still low, with each worker producing a little under 5 million shillings of GDP per year. Compared to manufacturing, where annual output per worker is about 35 million shillings, labour productivity in the trade sector is still

low because the private sector in Uganda is informal and dominated by about 1.1 million Micro, Small and Medium Enterprises (MSMEs). In addition, labour productivity in the trade sector has declined by 18 percent, implying that most of the new jobs created in the trade sector are low-productive. Regarding inter-sectoral shifts, the trade sector has been a net recipient of workers between 2016/17 and 2021, accounting for 37 percent of the worker movements between different sectors. A breakdown of the profile of growth in the trade sector shows changes in employment within the sector have had an enormous and positive contribution to total growth in GDP or value added per capita at the national level.

2.6 THE CURRENT INSTITUTIONAL FRAMEWORK FOR EMPLOYMENT GOVERNANCE IN UGANDA

Although there are several regulatory, policy and facilitative instruments for employment in Uganda, the country lacks a recognised integrated and functioning governance framework with a coordination mechanism for employment programs and policies. Even though tripartite structures continue to play a key role in the planning and implementation cycles of government policy processes, the current employment governance organs such as the Labour Advisory Board and the Minimum wages advisory board have a narrow mandate which is limited to only regulatory and institutional labour matters. However, these governance organs are limited in that they cannot drive employment promotion in realistic manner.

Given that employment promotion relies on adequate economic policy making which brings together macro-economic, sectoral and labour market policies that put employment at the centre, it requires actions across the whole of government. In addition, the current employment governance frameworks seem to have limited consideration of promoting broader employment-centred socio-economic policy development and the issue that affect informal economy workers.

The current employment governance is characterised by limited institutional linkages to formulate and coordinate different policy instruments due to the absence of shared understanding between MDAs; limited high-level political will to champion employment reforms; inadequate technical and financial capacities; and limited integration and coordination on employment between national and sub-national levels.

The 2011 National Employment Policy (NEP) lays out the specific roles and responsibilities of different government agencies such as the Ministry of Finance, Planning and Economic Development (MoFPED), The National Planning Authority (NPA), the Uganda Bureau of Statistics (UBOS), Ministry of Gender, Labour and Social Development among others. The role of the MoFPED is to ensure availability of resources and attract investment that have the potential to create employment. On the other hand, the NPA is tasked with creating linkages between employment creation efforts in national and local planning processes. In addition, the NPA also ensures that the private sector and Civil society organisations are actively engaged. UBOS is mandated to collect, analyse and interpret labour force survey in a timely manner. Lastly, the NEP recommends a National Employment Council (NEC) to coordinate employment actions between different stakeholders at the national level.

2.7 CURRENT EMPLOYMENT CREATION INTERVENTIONS

To curb the adverse effects of the global unemployment crisis, the government of Uganda and private sector has undertaken several employment-related measures to ensure jobs

are created and worker rights are protected. These include contribution to social security for employees, competence based-certification (BTJET system), and entrepreneurship programmes supporting vulnerable groups, youth (Youth Livelihood Programme, Youth Venture Capital Fund), women (Uganda Women Entrepreneurship Programme), persons with disabilities (disability grant), persons in Micro and small business (Emyooga) and now the Parish Development Model (PDM) (Box 1- summaries some). The total cost of these employment-related interventions has amounted to about Ugx400billion, excluding earlier interventions (such as the Entandikwa scheme and bona bagagawale). Others have been through labour export (externalisation). In addition, the private sector has also participated through its umbrella bodies, such as the Private Sector Foundation Uganda, in providing skills and enterprise development initiatives. Nonetheless, these are not resolving the labour market distortions and unemployment challenges that Uganda is facing. The employment governance framework of the NES will be tasked to coordinate and monitor the implementation of these programmes to ensure that their employment creation objectives are met.

Box 1: Programmes/intervention in employment creation

- ▶ **The Business, Technical and Vocational Education and Training (BTJET) strategic plan 2011-2020** also known as Skilling Uganda programme was designed to be a magic bullet to acute unemployment in Uganda. The main thrust of the programme was to create employable skills and competencies relevant to the labour market instead of educational certificates. The key targets included: 70 percent of employers satisfied with competencies of BTJET graduates by 2020; 80 percent of BTJET graduates entering the labour market finding employment/self-employment generating sufficient income by 2020, Uganda Vocational Qualifications Framework (UVQF) assessment pass rates increased to 90 percent by 2020; Number of BTJET graduates increased to 450,000 annually, with 50 percent female participation. However, enrolment in BTJET institutions remains far below the target, standing at 45,153 students in 2017, after declining by 28.6 percent from 63,285 in 2016. The female constituted 35.5 percent in 2017 which is below the 50 percent target.
- ▶ **Youth Livelihood Programme (YLP), was implemented under the Ministry of Gender, Labour and Social Development (MGLSD), beginning FY 2013/2014.** The programme targeted the unemployed and poor youth across the country, including but not limited to; school dropouts, youth living in slums, youth with no formal education, single parents, youth with disabilities, and those living with HIV/AIDS among others. Since the inception of the programme, YLP has disbursed Ushs162.972 bn to finance a total 20,522 youth projects, benefiting 245,870 youth (46 percent of whom are female). Most of the projects financed under YLP are in the agricultural sector (32 percent), followed by Trade (29 percent), Services (23 percent), and Industry (6 percent), among others.
- ▶ **Youth Venture Capital Fund (UYVCF) worth UGX 25bn (about US\$ 10 million) was introduced in 2011.** Like other youth schemes in Uganda, the fund was based on the premise (MSMEs) are likely to play a leading role in employment generation given that they comprise about 90 percent of the private sector (MFPED, 2012). Although UYVCF had a positive effect on business expansion, it had no significant effect on jobs creation according to a study by Ahaiwe and Kasirye (2015).
- ▶ **EMYOOGA, a Presidential Initiative for Wealth and Job Creation was launched in August 2019.** It aims to benefit all economically active Ugandans aged 18 years and above, within 18 specialised enterprises namely: bodabodas, women entrepreneurs, carpenters, salon operators, taxi operators, restaurant owners, welders, market vendors, youth leaders, PWDs, produce dealers, mechanics, tailors, journalists, performing artists, veterans, fishermen and elected leaders. While it may be too early to evaluate Emyooga's performance, numerous challenges have already emerged. These include associations being formed hurriedly to receive quick cash, political interference, beneficiaries mistaking Emyooga funds as a token of appreciation from the government for voting it into power given that funds were disbursed during the election period, the requirement for collateral additional has raised serious issues in many areas, and some members and leaders of some SACCOs misappropriated and embezzled funds.

- ▶ **Special Grant to Persons with Disability.** The Government through MGLSD rolled out this grant in the FY 2009/10, aimed at supporting PWDs in different income-generating initiatives and hence employment creation. However, the grant has suffered numerous challenges. First, funds do not respond to changing number of districts has not changed despite the rise in the number of districts, making it difficult for the grant to yield substantial results. Second, the scrupulous requirements. Others are lack of clear guidelines; corruption and misappropriation of the grant at district levels; misuse of the grant by the beneficiaries; no clear monitoring and evaluation system; poor selection of enterprises; and no clear reporting mechanisms by the beneficiaries (NCD 2018).
- ▶ **Private Sector Foundation Uganda (PSFU) implemented the Skills Development Facility (SDF) from 2016 to 2021.** SDF was part of the \$100 million Uganda Skills Development Project (USDP), a Government of Uganda Project funded by the World Bank. In other words, PSFU implemented SDF on behalf of Uganda's government. SDF aimed at supporting training initiatives and promoting skills development to spur productivity, economic development and increase employment.
- ▶ **Competitiveness and Enterprise Development Project (CEDP) project, implemented by PSFU** and financed by World Bank has supported 312 Micro, Small and Medium Enterprises (MSMEs) in the selected priority sectors of Agribusiness, ICT, Tourism and Fisheries. Consequently, 2,640 new jobs were created by the benefitting MSMEs by 27 percent increase from 7,109 in 2010 to 9,749 in 2019 according to statistics by PSFU.
- ▶ **The Youth4Business Innovation and Entrepreneurship Facility implemented by United Nations Development Programme (UNDP) and Stanbic Bank** aims to tackle youth unemployment through impact-driven innovation and entrepreneurship in sectors with a high multiplier effect on creation of jobs and livelihood opportunities. The facility is expected to ensure skilling of 50,000 youths to increase their entrepreneurial success rate, create 20,000 new direct decent jobs for the youths and influence the creation of 100,000 indirect jobs (UNDP 2021).
- ▶ **Green Jobs Programme** as a flagship program of ILO's commitment to act on climate change and promote resource efficient and low-carbon societies resulting in jobs. In particular, the assertion that decent work is a cornerstone for effective strategies to green economies for achieving sustainable development and reform of all employment creation endeavours has left Uganda in a tragedy with an increasing unemployment rate despite the initiatives in place.
- ▶ **MTN Foundation launched a youth skilling program in 2020, aimed at equipping the youth** with the right practical knowledge and skills that will enable them to provide innovative ICT solutions to solve community problems amidst the evolving digital world; at least 100 youths were selected to benefit from the program.
- ▶ **Labour externalisation programme:** Over 63,000 Ugandans have left the country for jobs abroad since 2005 when the Government started the labour externalisation programme. The total number of Ugandan migrant workers deployed outside increased from 2,539 in 2016 to 25,363 in 2019, before declining to 9,026 in 2020. The decline in 2020 can be attributed to the COVID-pandemic that resulted in travel restrictions. Similarly, the number of immigrant workers (foreign nationals) rose from, 10,852 in 2016 to 16,750 in 2019 but dropped to 9,633 in 2020.

2.8 LABOUR MARKET CHALLENGES IN UGANDA

The situation analysis has shown that structurally, the major labour market challenge is that the economic growth profile of Uganda has not been accompanied by jobs growth but has instead been dominated by intra-sectoral productivity increases and increases in the share of the working-age population. Other challenges in Uganda can be synthesised from demand, supply and institutional perspectives as highlighted below:

Labour Market demand

Structural transformation has been slow in Uganda, thus constraining job creation potential. Whereas the Ugandan economy has experienced steady growth over the past decade, it has failed to ensure sustainable, productive, and decent employment creation. The following challenges were highlighted during dialogues in consultations for the NES.

- **Unfavourable taxation policy** creates a heavy tax burden on business start-ups, hindering their expansion and resulting in the collapse of some businesses hence affecting employment creation. It is also associated with providing unnecessary tax exemptions to foreign investors while ignoring the local investors that would create more jobs. Relatedly, the enormous tax burden on salary earners, including high

PAYE, makes it difficult to save and accumulate capital to develop businesses that provide employment. In addition, the tax policy regime is crafted in a manner that the more formal you are, the more you are taxed, thus discouraging formalisation, and informal businesses don't generate decent employment.

- **Poor saving culture among the youth and the working class.** Consequently, more money is spent on consumption rather than investing in business enterprises that would eventually create employment. Conversely, people have to rely significantly on borrowing to start and/or expand their enterprises.
- **High cost of finance.** This is demonstrated by the high-interest rates charged by commercial banks and other financial institutions that discourage potential entrepreneurs from undertaking sustainable job-creating investments. Furthermore, in some cases, banks make it impossible for those who have mortgaged their property to recover it even when they are paying well to grab their property. This has created fear of losing property, discouraging many entrepreneurs and investors.
- **Glaring wage gap and inequality in employment.** This discrimination and unfairness at the workplaces are partly explained by the absence of a minimum wage, gender biases that place men ahead of women even with the same experience and skill levels, tribalism, nepotism, and favouritism. Furthermore, some expatriate employees occupy certain positions in some organisations, yet local people can manage these. There is also a huge differential in wages paid to foreign and local employees.
- **Slow growth of the industrial sector.** The industrial sector is not growing sufficiently to create employment for young people. The available evidence shows that the industrial sector creates more employment than any other economic sector. Still, the service sector contributes more than half to the national GDP of Uganda but employs fewer people. If the industrial growth remains slow, we shall have premature de-industrialisation challenges adversely affecting the sector's job creation potential.
- **Fast-growing labour force.** Jobs are not created at the same pace compared to the growing labour force. Also, the quality of the labour force is low because they are not adequately skilled to start and sustain businesses. The country is equally overwhelmed by high school dropout rates at the primary and secondary levels. Those who drop out usually enter the labour market with inadequate skills.
- **Limited efforts to support local investors.** Most government efforts to support investment have targeted foreign investors using different incentives such as tax holidays and free land. However, there is a need to ensure a certain level of indigenisation of the economy, which allows domestic investors to thrive. This is primarily because local employers tend to employ more Ugandans and reinvest in the country as opposed to foreign investors, who repatriate most of their profits. Consequently, the country does not generate a critical mass required for further employment.
- **Inadequate worker protection.** Due to the prevalent informal economy, Ugandans face poor working conditions and limited legal and social protection access. These conditions host a range of decent work deficits, including limited enforcement of contracts, occupational safety, and health (OSH), and labour standards. The government's capacity to promote inspection and compliance is limited. At the sub-national level, the capacity is much more limited as most districts have only one labour officer who cannot sufficiently monitor and enforce labour policy and

regulations. Relatedly, some districts do not have labour officers, especially with the creation of more districts.

Labour market supply

- **Out-dated curriculum.** The school curriculum does not empower young people with the requisite employment and job creation skills. In other words, the education system is primarily geared towards white-collar jobs, not job creation. As a result, school schools do not prioritise the much-needed practical and technical skills required for work. Also, most students prefer to go to university rather than to a technical institute. Furthermore, the outdated curriculum tends to create and perpetuate a **skills mismatch** in Uganda's labour force. This is partly because training institutions, unlike companies, cannot change technology or the system as companies do. Therefore, adopting an employer-led TVET system – a dual system with part of the training done in the training institution and the other with the employer – would be worthwhile.

Institutional

- **Limited funding for institutions** like Enterprise Uganda to reach a large share of the population with training on business start-up, maintenance, sustainability and expansion. Uganda is among the top entrepreneurial countries worldwide. Still, many businesses do not survive within months after starting because their owners are not adequately equipped with the right business knowledge and skills. They also lack the right mind-set and acumen, which is critical for business success. While the enabling environment has tended to be piecemeal and not at a scale to impact a defined set of markets and sectors, a new ecosystem conducive to entrepreneurship to build a diversified, resilient, and robust economy is a priority.
- **Limited production and access to reliable labour market statistics.** Indicators and concepts applied in Uganda are insufficient to inform robust policymaking and monitor employment trends. For instance, the current statistics of youth unemployment in Uganda is 13 percent which is too low. Moreover, the measurement of unemployment is based on methodologies that do not speak to Uganda's context, which relates to all other developing countries. Additionally, most Ugandans are underemployed, but these are erroneously considered employed, yet they don't have formal contracts and work in harsh conditions. Furthermore, there is a lack of regular labour market data to facilitate the planning and budgeting process for employment.
- **Most employment-sensitive strategies are insufficiently implemented** due to limited funding, especially from the government, improper coordination, and the absence of a strategy champion to lead, influence and/or make decisions.
- **Failure to integrate different job creation efforts.** There is a disintegrated approach to employment interventions by state and non-state institutions. Most government MDAs and non-state actors lack the coordination to develop, implement and evaluate employment interventions jointly. Development partners, private sector players and MDAs develop and implement employment interventions independently, which results in duplication of efforts and wastage of resources. In addition, the National Employment Council lacks the necessary capacity and resources to engage relevant stakeholders and mainstream employment outcomes across government policies, plans and budgeting processes. A case in point is the

limited participation of core stakeholders in the NEC processes and the absence of an accountability mechanism to foster partnership and delivery.

- **Weak pro-employment planning.** Several policies, plans and strategies do not strongly prioritize job creation. In most cases, employment creation is referred to in passing without a clear plan on how it will be realised. Therefore, it is unsurprising that foreign direct investments have fallen short of their aspiration of boosting employment creation and sustainability.
- **Limited awareness of some government programmes.** For instance, some common-use facilities have been set up in different places where the youth can work together to be employed, raise their income and be self-sustaining. However, a few youths are aware of how to benefit from this programme. Furthermore, many young people do not know that government provides free matching employment services. However, employment matching is still manually done and MoGLSD plans to develop an e-system supported by ILO.
- **Weak linkages between the national planning framework (NDPs) and the sector strategic now programme plans** for the different MDAs. Pro-employment planning and budgeting have not yet been harnessed. There is a need for an employment lens in all sector plans and budgets before NPA and MoFPED clear them.
- **Other prevalent challenges** include illegal externalisation of labour, corruption, high cost of doing business due to high electricity tariffs, and the failure of MoES to periodically undertake labour market needs assessments or scans to keep up with technology changes.

In summary, the NES will directly act upon the following challenges

1. Low rate of jobs creation not matching the increasing labour force entering the working bracket
2. Increasing rate of youth unemployment in comparison to other unemployment categories especially for the young females
3. Decline in the labour force participation rate for Persons with Disabilities (PWDs) and Women
4. Low productivity among the employed workers
5. Dominance of low quality formal and informal sector jobs in the labour market
6. Low levels of education, competencies, skills, and talent to match the changing labour market dynamics
7. Low social protection for persons in employment.

Going forward, it is imperative that increasing the productivity of Uganda's labour and ensuring that the employment elasticity is high (leveraging technological advancements) will be critical for addressing the above problems to ensure an inclusive, sustainable growth. This implies that the emphasis of the initiatives in the NES should be put towards enhancing job growth to accompany economic growth in Uganda.

NATIONAL EMPLOYMENT STRATEGY 2023-2028

3. VISION, MISSION, GOAL, PILLARS, AND STRATEGIC OBJECTIVES OF THE NES

I. Vision

The vision of the NES as inspired by the NDP III is:

An inclusive and sustainable economy that provides decent and productive employment, and improved living standards for all Ugandans.

II. Mission

To foster pro-employment growth and investment, facilitate market-driven skills development and strengthen the rights of vulnerable groups.

III. Goal

The overall goal of the strategy is to:

Create an inclusive, sustainable, productive, and decent employment for all Ugandans.

IV. NES Pillars

The goal will be achieved through coherent and concerted policy options that simultaneously address labour demand, labour supply and social inclusion gaps. The NES centres on four strategic pillars as follows:

- I. Strengthen economic policies and programmes to achieve job-rich investment and growth.
- II. Strengthen education and training systems to meet labour market needs.
- III. Eliminate the barriers to employment of vulnerable groups (women, PWD, youth, refugees, migrants and long-term unemployed).
- IV. Strengthen employment and social protection links to promote decent work and minimise helplessness.

V. NES Principles

Following best practices, the National Employment Strategy is underpinned by the following principles:

1. **Holistic Approach:** It is crucial to develop and implement the Strategy with a holistic approach considering the policies and measures to be in line and consistent with each other in the light of the main policy pillars. While this is not easy to be implemented, it is essential to identify champions at all levels of governance.
2. **Equal Opportunities:** It is crucial to develop policies addressing specific conditions of demographic groups, to provide equal opportunities for all. It is definitive to ensure equal opportunities in education to all relevant sectors and anti-discrimination practices for vulnerable people, such as women, people with disabilities, the poor, youth, and the population living in rural areas.
3. **Protecting Workers, Stimulating Jobs:** It is crucial to guarantee better working conditions for the people in the labour market by protecting the acquired rights against unemployment and the inherent risks caused by decent work deficits.
4. **Social Dialogue:** To successfully carry out the Strategy, it is necessary to involve all relevant stakeholders in the decision-making process regarding employment, as in the case of the preparation of the Strategy.

- 5. Incentive Approach:** It is crucial to establish an incentive approach instead of an obligatory approach for implementing the strategy and related policies to be adopted by all labour market actors.

3.1 PILLAR 1: STRENGTHEN ECONOMIC POLICIES AND PROGRAMMES TO ACHIEVE JOB-RICH INVESTMENT AND GROWTH

The situation analysis has clearly displayed the failure of economic growth to create substantial employment in Uganda. This calls for innovative approaches that do not look at job creation as a means to economic growth, but as an end. This implies that economic policies aimed at facilitating growth in employment of productive factors should be strengthened by increasing value addition by economic agents and other factor inputs (conditional on taxes and subsidies). Therefore, the focus in this pillar is on improving the macroeconomic policies and business environment to ensure the delivery of more effective and better resourced labour market policies. The pillar also places emphasis on promoting growth in sectors/programmes with high rates of labour absorption, with the idea that expansion of those sectors/programmes will result in increased demand for labour, and consequently, increased employment rates. This pillar is also designed to complement the National Business Development Services Framework and other economic, programme development and enterprise promotion interventions deployed by the government to build organizational and institutional capacities of the private sector to generate more employment opportunities. The pillar will aim at i) increasing the rate at which jobs are being created to absorb the number of job seekers/labour market, ii) improving the quality of jobs in the formal and informal sector; iii) increasing transition to formal sector in the labour market and iv) increasing the level of labour productivity.

Main strategic objectives and expected outcomes, are presented in the box below while the targets and outputs are included in the detailed action plans in Annex 1. In addition, specific programme objectives aligned to the pillar objectives are highlighted.

Box a: Specific pillar objectives	Expected Outcomes
1. 1 Increase access to low-cost credit for MSMEs.	1.1 Credit facilities and products tailored to the unique needs of local SMEs in Uganda increased.
2. Promote tax incentives that are conditioned to employment creation.	2.1 Increased implemented incentives to attract creation of jobs 2.2 Revised Investment code that gives incentives that enable the establishment of jobs by local and foreign investors.
3. Strengthen the role of informal sector trade unions to advocate for workers' rights	3.1 Increased share of male/female of workers employed under informal employment arrangements. 3.2 Successful locally adopted active labour market programmes
4. Increase the transition rate of informal businesses to formal sector.	4.1 Rising transition rate from informal to formal businesses 4.2 Increased involvement of the private sector in the governance and financing of the labour sector.
5. Strengthen the institutional and organisational capacity of the private sector to drive productivity.	5.1 Existence of a well-functioning regulation mechanism over activities of recruitment agencies.

Box a: Specific pillar objectives	Expected Outcomes
	5.2 A regulated legal framework for inspection of private employment agencies.
6. Establish a comprehensive and functional labour market information and analysis system to capture quality and high frequency data and ensuring its use for more equitable and effective governance, including funding.	6.1 Harmonised national indicators for LMIS 6.2 Increased level of availability, accessibility, and usage of labour market information in governance and decision making 6.3 Developed and rolled-out databases.
Programme whose specific objective (s) are aligned to this pillar	
OIL and gas 1. Increase local content through employment and participation of all Ugandans in the oil and gas and related services. 2. Promote the workers' rights and awareness of occupational health and safety standards in the programme.	
Manufacturing 1. Incentives aiming at entrepreneurship in the manufacturing sector will be increased. 2. Expand opportunities for local industries to leverage on regional trade such as EAC, the AFCFTA to expand their markets and create more jobs.	
Construction and Real Estate 1. Streamlining laws, regulations, standards, and processes within the construction industry in line with the labour market 2. Strengthening the demand for qualified labour force in the construction and real estate industry	
Works and transportation 1. Increase local content through employment and participation of all Ugandans in the works and transport sector.	
Agro-industrialisation 1. Increase production and productivity of persons working in the agro-industry sector 2. Improve post-harvest management to minimise losses 3. To increase value addition in agro processing. 4. Increase the marketable volume of agricultural products	
Tourism 1. Business Development Support for the private Sector engaged in tourism 2. Promote tourism as a viable employment sector and make it attractive	
Trade 1. Increase market access for traders at National, Regional and Global level. 2. Sustainably lower the cost of doing business. 3. Increase access to finance.	

3.2 PILLAR 2: STRENGTHEN EDUCATION AND TRAINING SYSTEM TO MEET LABOUR MARKET NEEDS

Access to high quality education and training is a central element to determine the employability of the labour force and to influence the investment climate. This implies that improving the quality of educational outcomes across all educational levels must be continuously fostered. Additionally technical, vocational, and soft skills required to succeed in the constantly evolving labour market need to be prioritized. A key focus of this pillar is that people in Uganda will have the opportunity to gain the most up-to-date knowledge and competences across all disciplines and to acquire the most relevant skills for active participation in the ever-changing labour market. This pillar will support i) employer and learner access to a dynamic, adaptable, innovative, and high-quality education and training system; ii) employers, whether public or private to collaborate with education and training institutions to enhance employability and productivity of workers;

iii) innovation and entrepreneurship through education and training; and iv) sectors identified as critical to creating jobs to continue acquiring specific skills set.

Main strategic objectives and expected outcomes, are presented in the box below while the targets and outputs are included in the detailed action plans in Annex 1. In addition, specific programme objectives aligned to the pillar objectives are highlighted.

Box b: Specific pillar objectives	Expected Outcomes
1. Enhance the quality and relevance of the education and training system to respond to the changing needs of the labour market.	1.1 Increased employment rate of recent graduates. 1.2 Increased education attainment of labour force. 1.3 Increased share of adults/individuals (25-64yrs) participating in lifelong learning, by sex, age and geographical location. 1.4 Increased share of female and male participating in entrepreneurship education and training. 1.5 Increased enrolment in vocational and entrepreneurship programmes.
2. Strengthen collaborations between employers, and education and training providers to enhance employability.	2.1 Increased number of employers deploying standardised counselling and guidance approaches and quality assurance systems. 2.2 Increased partnerships and contracting out agreements signed. 2.3 Increased amount of private sector funding available for education and training to support transition from school to work. 2.4 Existence of a frame curricular developed and increased number short and long courses designed in alignment to the curricula. 2.5 Increased qualified female/male vocational education and training practitioners recruited through new procedures 2.6 Increased proportion of work placements annually.
3. Promote innovation and entrepreneurship through education and training.	3.1 Decrease in youth unemployment rate. 3.2 Increase in innovations at firm level and nationally per year. 3.3 Increased business start-ups annually. 3.4 Increased number of tailor-made entrepreneurship programmes specifically targeting girls and women, including in rural areas.
Programmes identified as critical to creating jobs and should continue acquiring specific skills set.	
Oils & Gas 1. Improve the qualifications of the labour force in oil & gas taking into consideration the current needs of the programme.	
Construction 1. Improving the qualification of the labour force in the construction and real estate sector.	
Works and Transportation 1. Strengthen local capacity through training for transport infrastructure and services.	
Tourism 1. Promote Eco-Tourism through Capacity building at community level to create employment opportunities at that level 2. Integrate Tourism as a co-curricular activity in schools 3. Specialized training institutions for tourism established.	

3.3 PILLAR 3: ELIMINATE BARRIERS TO EMPLOYMENT OF VULNERABLE GROUPS

Everybody who tussles to find a job experiences the same loss of confidence and hope, regardless of gender, age or background. This pillar, therefore, focuses on increasing employment rates among groups with low levels of labour market participation, including those groups facing additional challenges such as: persons with disabilities, refugees, women, youth, migrants and long-term unemployed. These often work without contracts and are underpaid. Their places of work are also informal hence undertaking work that is not necessarily decent. As a result, these groups face an even higher chance of being unemployed or underemployed.

In the medium, the pillar specifically commits to i) reducing the unemployment rate among the youth especially young females in Uganda and ii) increasing labour force participation rate for PWDS and women. This intended focus was informed by the situation analysis that showed that these categories of people have higher rates of poverty and deprivation associated with lower rates of participation and employment compared to the overall population. For similar reasons, the pillar aims to increase labour market participation of young people who are Neither in employment, education, nor training (NEETs). This pillar is designed to support other Government action plans and strategies, such as National Comprehensive Action Plan on the Rights of Persons with Disabilities 2020-2025, National Strategy for Youth Employment in Agriculture, and others that have the objective of increasing employment opportunities for these groups mentioned.

The strategic objectives and expected outcomes, are presented in the box below while the targets and outputs are included in the detailed action plans in Annex 1. In addition, specific programme objectives aligned to the pillar objectives are highlighted.

Box c: Specific pillar objectives	Expected outcomes
1. Promote value addition and industrialisation among Youth SMEs in rural and urban areas to increase youth employment	1.1 Increased number of new local SMEs that engage in value addition and industrialisation.
2. Change youth mind-set and interest them in agro industrialisation.	2.1 Increased number of youths in employment along the agro industrialisation. 2.2 Increased participation rate in education, training, and sensitization programme.
3. Improve working environment for all special interest group (including PWDS and women) through implementing protocols, conventions and laws regulating workplace practices and workers' rights among employers, employees and regulators.	3.1 Increased workplaces with disability-friendly infrastructure and amenities. 3.2 Increased sensitization campaigns conducted. 3.3 Increased national budget allocated to PWD. 3.4 Improvement of legal and institutional framework in compliance with ratified international labour standards.
4. Create jobs tailored for PWDS.	4.1 Increment in the share of female/male PWDS employed. 4.2 Increased number of jobs created for PWDS over total number of jobs.
5. Improve working environment for Women.	5.1 Increased share of women employed by broad economic categories. 5.2 High share of women employed by broad occupational categories. 5.3 Increased share of jobs created for women over total number of jobs created.

Box c: Specific pillar objectives	Expected outcomes
6. Strengthen the capacity of Labour offices to conduct labour inspections.	6.1 Increased economic units and workers covered by inspection. 6. 2 Increased number and type of labour law violations, especially the ones related to OSH detected annually and proportion redressed.
Programme whose specific objective (s) are aligned to this pillar	
None	

3.4 PILLAR 4: STRENGTHEN EMPLOYMENT AND SOCIAL PROTECTION LINKS TO PROMOTE DECENT WORK AND MINIMISE HELPLESSNESS

Equity concerns, demand that specific interventions are deployed to address the needs of individuals at risk of poverty and social exclusion through better access to education, employment, and social services as well as employment and income opportunities. The coordination between social assistance programmes and active labour market measures facilitates activation strategies grounded on a mutual obligation system. It is also argued that social assistance, complemented with insurance that does not fully depend on formal wage employment, but with mandatory earnings-based contributions can provide basic universal coverage, subsidize premiums for the poor and topping up social assistance. For social inclusion purposes, the focus of this pillar centres on increasing the share of employed persons having social protection coverage in both formal and inform jobs. The major intention though is extending pension and social insurance to the private informal sector.

Main strategic objectives and expected outcomes, are presented in the box below while the targets and outputs are included in the detailed action plans in Annex 1. In addition, specific programme objectives aligned to the pillar objectives are highlighted.

Box d: Specific objectives	Expected outcomes
1. Strengthen right of information and occupation health and safety (OSH) at the workplace	1.1 Increased annual coverage of women and men covered by social and health insurance. 1.2 Increased OSH activities organised by social partners. 1.3 Increase in participants in workshops and work meetings on OSH organised by social partners. 1.4 Increased engagements for labour inspectors. 1.5 Increased sensitisation campaigns and materials produced.
2. Provide opportunities for universal health care and insurance for all.	2.1 Increased number of households with access to universal health care and insurance within vulnerable employment units
3. Integrate and improve social protection in programmes, plans and budget.	
4. Strengthen mobilization and sensitization of the population on social protection.	
5. Scale-up programmes that target the working poor	5.1 Increased working poor enrolled in social protection programs

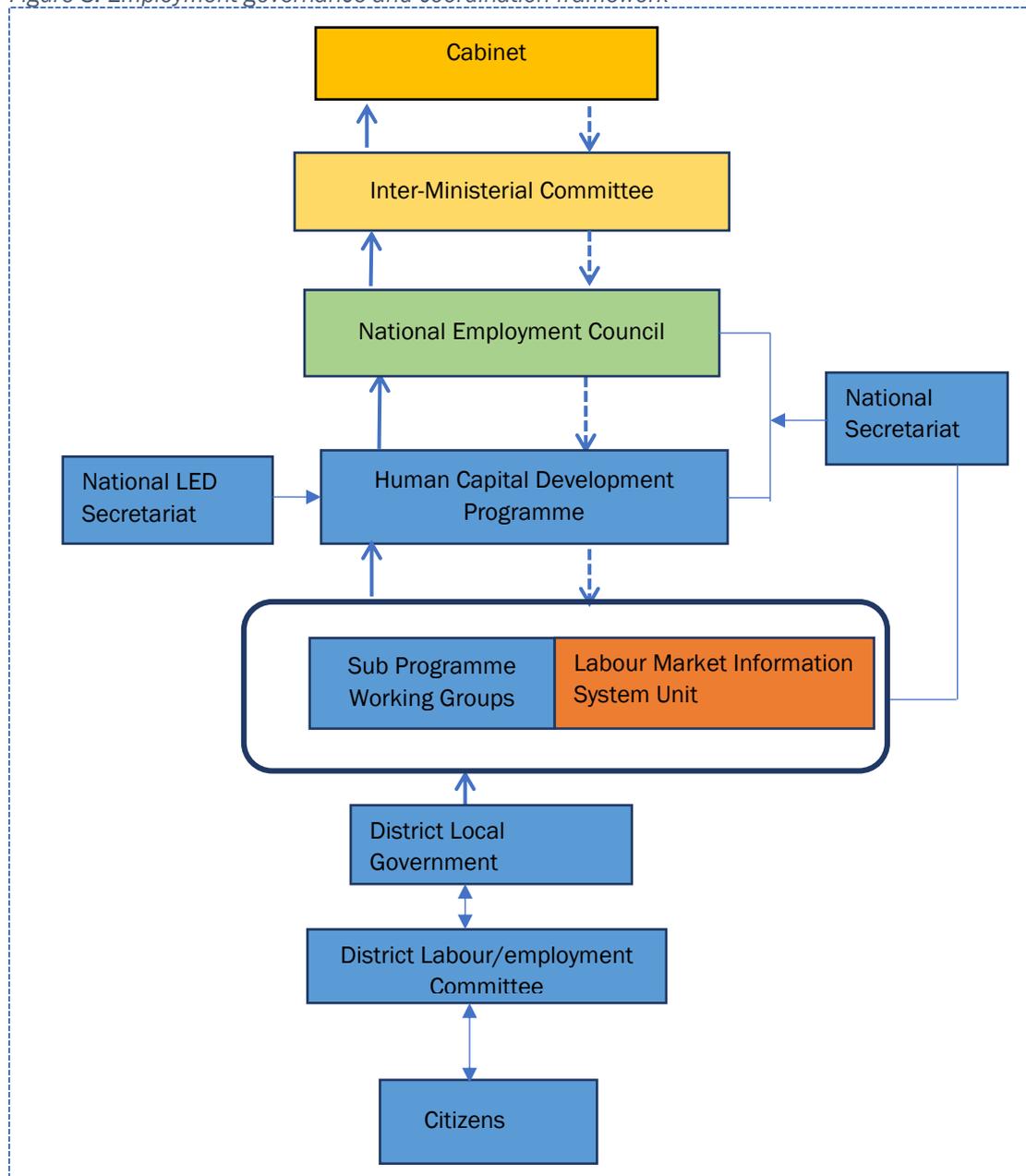
Box d: Specific objectives	Expected outcomes
6. Improve flexible work arrangements with security (flexi-curity) for better employability, targeting women and PWDs.	6.1 In place a new employment service model based on flexi work 6.2 Increased registered unemployed female and progressing through the new service model by sector and by occupation
Programme whose specific objective (s) are aligned to this pillar	
OIL and gas 1. Promote the workers' rights and awareness of occupational health and safety standards in the programme.	
Construction and Real Estate 1. Improving the overall working environment in the construction and real estate industry for local players.	
Works and Transportation 1. Promote the workers' rights (e.g., contract enforcement, working hours) and awareness of the sector's occupational health and safety standards.	
Trade 1. Increase coverage and growth of the Retirement Benefits Programme	

4.NES GOVERNANCE FRAMEWORK

The National Employment Strategy, prepared in line with the Third National Development Plan (NDP III) and the long-term policy aspiration of the National Employment Policy 2011, shall be implemented through action plans covering five years and updated annually on progress.

The NES governance framework (Figure 9) is a coordination and management mechanism aimed at facilitating the delivery of the NES. This is achieved through: the provision of strategic and policy-level guidance; effective oversight and delivery of the NES’ proposed reform priorities and interventions; and the operationalisation and strengthening of employment governance coordination.

Figure 8: Employment governance and coordination framework



The National Employment Council (NEC) monitors and evaluates the National Employment Strategy through the annexed action plans. The Committee shall consist of representatives (Permanent Secretaries and Directors) of the Ministry of Gender, Labour and Social Development (MoGLSD), Ministry of Finance Planning and Economic Development, Ministry of Public Service, Ministry of Education and Sports, Federation of Uganda Employers, Trade Unions, Uganda Bureau of Statistics, Private Sector Representatives. In addition, representatives of other Ministries, Departments and Agencies (MDAs) and non-state actors shall be invited as directed by the NEC.

As guided by the National Employment Policy, the Committee shall gather twice a year under the Permanent Secretary of the Ministry of Gender Labour and Social Development chairmanship to monitor the strategy's implementation process. During the meetings at the end of each year, the Committee discusses the actual developments and problems in implementation and decides on the necessary revisions. Furthermore, the Committee shall be advised by the **Human Capital Development committee**, which comprises the sub-programme working groups (SPWG) and the **Labour Market Information System Unit** on issues. In addition, the different implementing agencies within each SPWG are responsible for providing information (report) on the various NES interventions (targets and outcomes) on a quarterly and annual basis, depending on the nature of the indicator and as reported in the sub-programme action plans.

The NEC shall submit their progress to the **Inter-Ministerial Committee (IMC)**, which shall provide political leadership for the NES and shall be chaired by the Minister of MoGLSD. In addition, the IMC shall update Cabinet chaired by the President when necessary, and the Cabinet shall be updated annually.

The MoGLSD under the Directorate of Labour, Occupational Safety and Health serves as the **secretariat of the NEC** through which the NES will be implemented, monitored and evaluated. Learning from previous experiences will be part of the NES implementation process. The Secretariat shall prepare the current status document regarding action plans before the meetings and distribute them to the Committee members. The recent status documents shall be based on the information gathered from the MDAs and non-state actors. In addition, the Secretariat shall send the updated action plans and minutes of the meeting that include the decisions to all participants. They shall be published on the MoGLSD website.

As the governance framework transitions into the implementation phase, it should adopt a flexible and context-based approach which aptly embraces the diversified normative influences of existing sectoral and local level aspirations and interventions related to employment creation. Moreover, the framework fosters the development of shared understanding and mutual learning among all. Equally, it should be anchored on the promotion of national tripartite social dialogue between government, employer, and worker organisations. Relatedly, the framework strengthens employment governance through leveraging the competencies and capacities of social partners in the NES implementation process.

5. NES MONITORING, EVALUATION AND LEARNING

The monitoring of progress, evaluating performance and impact, and generating new knowledge and lessons are important parts of implementing the National Employment Strategy. Considering that the NES is the first stand-alone delivery modality for overall labour market impacts in Uganda, its monitoring and evaluation is of high significance.

The Monitoring, Evaluation and Learning (MEL) will cover five years of the NES. The Results Framework, annexed in the strategy, will guide the MEL implementation. The MGLSD's Labour Market Information System (LMIS) Unit, in collaboration with the National Employment Council stakeholders, will design a robust Monitoring, Evaluation and Learning Plan (MELP). The MELP will outline the approach the strategy will take to monitor resources, activities, and results, and how the evidence and knowledge generated will be utilised to inform the delivery and improve performance. The LMIS unit shall be responsible for compilation of quarterly monitoring and periodic evaluation reports submitted to the NEC and Inter-ministerial Committee to guide the work of key stakeholders/sectors involved in the implementation of the strategy.

Important to the implementation of the MELP will be its role as a tool for practical and effective use of resources by guiding the prioritisation of interventions based on evidence-based performance. The implementation of the MELP will also be aligned with monitoring and evaluation framework, standards, and guidelines of NDP III. The MELP will utilise a mixture of methods and tools depending on the context and the nature of the intervention being monitored or evaluated. These methods and tools will monitor activities, evaluate performance, and impact, and generate evidence, knowledge, and learning. These methods and tools will include: (i) baseline surveys to set the basis for monitoring and evaluation; (ii) intervention progress monitoring through field data collection, stakeholder interviews and group discussions, case studies, and action research; and (iii) performance and employment impact evaluation through midterm at the end of the NDP III and end line evaluation of the strategy. The MELP will include key labour market indicators as per the LMIS plan, precise definition of indicators, data collection methods and tools, data quality considerations, and the roles and responsibilities assumed by various actors involved in the implementation of the NES.

The MELP is expected to be updated periodically to capture in more detail the performance indicators of strategy actions' implementation which will be used as the basis for which the strategy is achieving its intended outcome. These indicators will be used at the individual key pillar result area, annual and aggregate end-of-strategy levels to evaluate the achievement of its targets.

Finally, the MEL's approach will emphasize the participation of all actors and to facilitate ownership and learning with government, social and development partners and beneficiaries actively taking part in the process. Further, the approach will highlight the importance of understanding the context to generate evidence on what works and what does not. These understanding will factor in the specific nature, scope and scale of the interventions undertaken in a target location.

6. RISKS AND MITIGATION MEASURES

Since employment is created and monitored by each state and non-state, specific risks and challenges might occur, and these will impact the attainment of set targets and aspirations of the NES. The potential risks and mitigation measures for the National Employment Strategy are highlighted below:

No.	Risks	Mitigation measures	Responsible Institution
Skills related			MoES
1	To produce more skilled labour against the labour turnover.	Matching the skills against the demand	
2	Skills gap on job market requirements.	Need for career guidance	
3	Rigidity of Ugandans to adapt to vocational training	Sensitization for mindset change	
4	Many Ugandans are not highly skilled.	All foreign-owned entities should at least employ not more than 30% foreign and 70% locals	
5	Increased school dropout rate hence child labour, trafficking of a person	Develop a practical based curriculum	
Political economy/legislation related			MoGLSD & Parliament
1	The strategy may not be implemented due lack of political will, i.e., salary disparities	Government should consent to strategic direction as provided by the NES on labour market issues	
2.	No regulations on minimum wage	Need for stakeholder consultations to develop regulations on minimum wage	
3	Inadequate legal framework on minimum wage	Enhance formulation of policy, legal and institutional framework on minimum wage.	
4	Governance and political interference	- Enhance capacities of lead Institutions. -Capitalization to support private sectors. -Focus on mind-set change. -Community dialogue and advocacy.	
5	Limited political will to implement the NES	Involvement of political leaders	
6	Failure to comply with labour laws and OSH standards promotes decent work.	Promote the implementation of labour laws and comply with workplace OSH standards.	
7	Sexual harassment	Sensitization of employees on their sexual rights	
8	Chronic poverty	Step up enforcement of laws and policies, ordinances on the regulation of redundancy.	
Finances/Resources			MoFPED
1	Corruption	Empower institutions fighting corruption, such as the police and IGG.	
2	Mismanagement of allocated funds towards skilling	Close monitoring and applying the rule of law	
3	Lack of budget and funding for NES implementation	Focus on important NES priorities during the budgeting and funding processes.	
4	Dwindling economy (Inflation)	-Put in place measures to check public borrowing and spending. - Promote local and foreign investors - Promote revenue-generating alternative sectors such as tourism.	

5	Limited funding of the strategy from the government	Government should prioritize the allocation of resources towards social protection interventions/structures.	
6	Delayed and non-payment of retirement benefit	Improve management of electronic employment systems	
Human capital/staffing			MoGLSD
1	Enforcement gaps not filled on implementation of the NES	Recruitment of substantive labour officers	
2	Limited staffing, especially in the newly created administrative units	Prioritize staffing in the new administrative units.	
3	Nepotism, segregation, and sectarianism in the employment sector.	Proper structures in recruitment (ethical, professionalism, integrity)	
Awareness/Social-Cultural norms/mind-set			MoGLSD/OPM
1	Nepotism, segregation, and sectarianism in the employment sector.	Promote patriotism and proper structures in recruitment (ethics, professionalism, integrity).	
2	Cultural beliefs that prioritize boys over the girl child	Mind-set change	
3	Limited awareness of social protection interventions, especially in the informal sector.	Conduct massive stakeholder awareness sessions on social protection interventions	
4	Lack of ownership of the projects.	Civic education, consultative meetings and meaningful participation.	

7. FINANCING OF THE NATIONAL EMPLOYMENT STRATEGY

The total budget projected to be at the disposal of the Ministry of Gender Labour and Social Development based on the allocations used for the mid-term budget programme of the NDPIII and other programme frameworks is around USD 530 million for the next three years. Most of it is allocated to Pillar 1 measures as shown in the following summary table. Annex 3 has the detailed financial requirements per NES priority pillar.

Table 7 : Summary of resource requirements per NES Pillar and problem, USD

ITEM	2022/23	2023/24	2024/25	
PILLAR 1	STRENGTHEN ECONOMIC AND SOCIAL POLICIES AND PROGRAMMES TO ACHIEVE JOB-RICH INVESTMENT AND GROWTH	131,801,000	98,171,000	98,171,000
Prob. 1	Rate at which new jobs are being created is not matching the rate at which people are entering the working bracket	131,490,000	97,910,000	97,910,000
Prob. 2	Dominance of low quality formal and informal sector jobs in the labour market			
Prob. 3	Low productivity among the employed workers	311,000	261,000	261,000
PILLAR 2	STRENGTHEN EDUCATION AND TRAINING SYSTEM TO MEET LABOUR MARKET NEEDS	3,963,558	3,593,558	3,593,558
Prob. 1	Low levels of education, competencies, skills and talent to match the changing labour market dynamics	3,963,558	3,593,558	3,593,558
PILLAR 3	ELIMINATE BARRIERS TO EMPLOYMENT OF VULNERABLE GROUPS	53,526,430	53,279,930	53,279,930
Prob. 1	Increasing rate of youth unemployment in comparison to other unemployment categories especially for the young females	52,670,000	52,620,000	52,620,000
Prob. 2	Decline in the Labour force participation rate for Persons with Disability (PWDS) and females.	856,430	659,930	659,930
PILLAR 4	STRENGTHEN EMPLOYMENT AND SOCIAL PROTECTION LINKS TO PROMOTE DECENT WORK AND MINIMISE HELPLESSNESS	40,300,898	41,968,831	43,502,972
Prob. 1	Low social protection for persons in employment.	40,300,898	41,968,831	43,502,972

Note: The exchange rate is at 1 USD=UGX3,800

The exact financial envelope to be put at the disposition for the NES pillar interventions by the specific problem that the policy pillar aims to address was established by the three-year annual action plans accompanying the strategy.

ANNEX 1: NES PILLAR ACTION PLANS 2023-2025

I. STRENGTHEN ECONOMIC POLICIES AND PROGRAMMES TO ACHIEVE JOB-RICH INVESTMENT AND GROWTH

Problem Statement 1: Rate at which new jobs are being created is not matching the rate at which people are entering the working bracket				
Goal: Increase the rate at which jobs are being created to absorb the number of job seekers/labour market		Goal Indicators 1. Number of new productive jobs created annually in the job market		
Strategic Objective 1: To increase access to low-cost credit for MSMEs		Outcome Indicator 1. Number of credit facilities and products tailored to the unique needs of local SMEs in Uganda 2. Proportion of SMEs that have access to credit facilities		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Growth in participation in the job market.	• Availing financing to enterprises through a dedicated Fund	MoFPED	Uganda Development Bank	2 – 3 years
	• Develop a credit guarantee scheme to reduce lending risk for SMEs	BoU	Financial Institutions	2 – 3 years
	• Assess the employment outcome of monetary policy interventions	BoU	MoFPED	2 – 3 years
Strategic Objective 2: To promote tax incentives that are conditioned to employment creation		Outcome Indicator 1. Number of implemented Incentives to attract creation of jobs 2. Number of revisions in the Investment code that give incentives that enable the establishment of jobs by local and foreign investors		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Tax education	• Implement Countrywide Tax education for businesses	URA	Local Governments, MoFPED	Annual
Provision of tax exemptions and waivers for some categories of businesses that create more jobs	• Tax waiver	MoFPED	URA	Annual
Single License Regime	• Implement Single licensing regime for SMEs to avoid bureaucracy and the tax burden faced by SMEs due to payment of different licenses by different local and national bodies	MoFPED	Local Governments, UIA	Annual

No. of district innovation centres established	<ul style="list-style-type: none"> Establishment of Innovation Centres at District/City levels 	Ministry of Science, Technology & Innovation	Private Sector, LGs	By 2027
Functional Regional Business Development Centres I	<ul style="list-style-type: none"> Create regional Business Development Centres (BDCs) to support business start-ups, growth, and sustainability of businesses 	Enterprise Uganda, FUE	MoFPED, DPs, BTVET, MICT	
Problem Statement 2: Dominance of low quality formal and informal sector jobs in the labour market				
Goal:		Goal Indicators		
<ol style="list-style-type: none"> 1. Improve the quality of jobs in the formal and informal sector 2. Increase transition to formal sector in the labour market 		<ol style="list-style-type: none"> 1. Improve quality of jobs in the informal sector from 9% to at least 15% by 2025 2. Reduce informality from 87.9% to 80% by 2025 3. Reduce informal employment from 81.4% to 76% by 2025 		
Strategic Objective 1: Strengthen the role of informal sector trade unions to advocate for workers' rights.		Outcome Indicator		
		<ol style="list-style-type: none"> 1. Share of male/female of workers employed under informal employment arrangements. 2. Locally adopted active labour market programmes and their success after implementation 		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Engagements between trade unions (Formal and Informal) with their members to share best practices for promotion of workers' rights	<ul style="list-style-type: none"> Hold dialogues between formal and informal trade unions to share best practices for promotion of workers' rights 	COFTU/NOTU	FUE MGLSD	
DLG empowered to register businesses	<ul style="list-style-type: none"> Empower DLG to become URSB agents for registration of all businesses in the country 	URSB	MoLG	
Strategic Objective 2: Increase the transition rate of informal businesses to formal sector		Outcome indicator		
		<ol style="list-style-type: none"> 1. Rising transition rate from informal to formal businesses 2. Increased involvement of the private sector in the governance and financing of the labour sector 		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Sensitization and advocacy campaigns on formalization conducted	<ul style="list-style-type: none"> Hold sensitization and advocacy campaigns with informal sector players on the benefits of formalization 	MGLSD	URA, URSB, UIA, NPA, COFTU/NOTU, UBOS	
Decentralised business registration through empowered Local governments to register local businesses	<ul style="list-style-type: none"> Local governments to register new and old businesses and share information with URSB 	Local government entities, URSB	MoFPED	
Problem Statement 3: Low productivity among the employed workers				

Goal: Increase the level of labour productivity		Goal Indicators 1.Labour productivity rate per sector 3. Under-employment rate		
Strategic Objective 1: Strengthen the institutional and organisational capacity of the private sector to increase productivity.		Outcome indicator 1.Share of female/male workers employed under informal employment arrangements. 2. Existence of a well-functioning regulation mechanism over activities of recruitment agencies. 3. Regulated legal framework for inspection of private employment agencies.		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Roll-out of the BDS framework	<ul style="list-style-type: none"> Support efforts geared towards implementation of the BDS framework 	PSFU, UNCCI, MoFPED,	Private Sector Education and Training Institution	
Improved ICT infrastructure	<ul style="list-style-type: none"> Provide the requisite ICT infrastructure to increase digitization and automation of business processes 	MoICT & NG, NITA-U	UIA Private Sector	
Improved capacity of representative organisations	<ul style="list-style-type: none"> Strengthen industry associations, chambers of commerce and trade unions 	MoGLSD	Ministry of Trade COFTU, NOTU, FUE, UNCCI	
Strategic Objective 2: Establish a comprehensive and functional labour market information and analysis system to capture quality and high frequency data and ensuring its use for more equitable and effective governance, including funding		Outcome indicator 1. Harmonised national indicators for LMIS 2. Level of availability, accessibility and usage of labour market Information in governance and decision making 3. Data bases developed and rolled-out		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Comprehensive and frequent labour market data	<ul style="list-style-type: none"> Undertake administration of regular labour and employment surveys 	UBOS	MDAs and LGs	
Framework developed and implemented	<ul style="list-style-type: none"> Develop and operationalize the National Labour Market Statistics Framework for Uganda 	MoGLSD, UBOS	MDAs and LGs	
Sensitization campaigns implemented	<ul style="list-style-type: none"> Popularise the labour market information system 	MoGLSD, UBOS	Private sector, NPA,	
Methodologies and modules integrating gender sensitive labour market information	<ul style="list-style-type: none"> Review and upgrade the LMIS to integrate additional modules including gender sensitive labour market information and modules on personnel skills in the different trades 	UBOS	MDAs and LGs	

II. STRENGTHEN EDUCATION AND TRAINING SYSTEM TO MEET LABOUR MARKET NEEDS

Problem Statement 1: Low levels of education, competencies, skills and talent to match the changing labour market dynamics				
Goal: Equip people with knowledge, competencies, and skills that are relevant to the changing labour market		Impact Indicators 1 Employment rate of recent graduates 2 Education attainment of labour force 3 Enrolment in vocational programmes 4 Youth neither in employment nor education or training 5 Share of individuals (25-64yrs) participating in lifelong learning		
Strategic Objective 1: Enhance the quality and relevance of the TVET education and training system to respond to the changing needs of the labour market		Outcome Indicator 1. Share of special interest groups participating in TVET education and training 2. Share of individuals (25-64yrs) participating in lifelong learning, by sex, age and geographical location 3. Per cent increase of the share of female and male students attending TVET programmes 4. Per cent increase of investment for TVET by 2025 5. Share of TVET institutions covered by inspection		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Skills gaps and needs assessments conducted	<ul style="list-style-type: none"> Conduct skills audits Identify skills needs for specific occupations and NES priority programmes 	UBOS	MGLSD NPA	
A modern, professional inspection system is in place throughout the country, ensuring implementation of education and training standards.	<ul style="list-style-type: none"> Enhance school inspection system to enforce education and training Standards 	NCDC MoES	NCDC, NCHE, Education institutions DLGs	Continuous
Competency based assessment and certification framework reviewed and upgraded	<ul style="list-style-type: none"> Undertake re-skilling, re-tooling and competence-based assessment and certification of workers in the informal sector. 	NCDC DIT, UBTEB, UNMEB	MoES Private Sector	
	<ul style="list-style-type: none"> Promote competency-based assessment and certification of technicians and graduates prior to joining the world of work 	NCDC DIT, UBTEB, UNMEB	MoES Private Sector	
National system of qualifications is capable of recognizing work experience, skills and	<ul style="list-style-type: none"> Developing and implementing the Uganda National 	MoES	DIT, UBTEB and UNMEB	

qualifications received in country and abroad.	Qualifications Framework (UNQF)			
Number of programmes and interventions promoting STEM rolled out	<ul style="list-style-type: none"> Develop interventions that will incentivize and support uptake and participation in STEM/STEL at secondary and TVET levels 	NCDC MoES	NCHE	
Action plan for integration of life and soft skills developed and implemented	<ul style="list-style-type: none"> Prioritize integration of life and soft skills that support modern work in training programmes. 	NCDC MoES	NCDC, NCHE, Education institutions DLGs	Continuous
A strategy on Technology-Enhanced Learning developed and rolled out	<ul style="list-style-type: none"> Develop and roll out a strategy for Technology-Enhanced Learning. Including an assessment of technology transfer within the curriculum Provide internet, tools, accessories and equipment in all learning facilities 	MoES, DIT UBTEB	NCDC, UBTEB, UNEB, NCHE	
Strategic Objective 2: Strengthen collaborations between employers and education and training providers to enhance employability		Outcome Indicator 1.Number of employment offices deploying standardised counselling and guidance approaches and quality assurance systems 2. Number of partnerships and contracting out agreements signed 3. Amount of private sector funding available for education and training to support transition from school to work 4.Number of frame curricular developed and number of short and long courses designed in alignment to the curricula 5. Number of qualified female/male vocational education and training practitioners recruited through new procedures 5. Proportion of work placements annually		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Agreements /MoUs signed by MoES and MoGLSD and renewed periodically	<ul style="list-style-type: none"> Establishment of agreements with companies and/or business associations that meet the criteria for offering training to students (internships, industrial training, apprenticeships, and graduate trainee programs)- 	MoES and MoGLSD	MoES, private sector	Continuous
Trainers needs identified	<ul style="list-style-type: none"> Undertake massive retooling and training 	MOES,	MoLG, CSOs, Training	By end of 2025

Instructors / trainers trained periodically Database of trainers by specialist area, prepared.	of TVET instructors and trainers based on curriculum tailored to the current labour market trends.		Institutions, MoWT, DLG MoFPED	
Elements of modularized TVET curriculum are implemented, Lessons learned from past experiences analysed	<ul style="list-style-type: none"> Scale up the roll-out of the modularised TVET curricular for all formal TVET programmes to attain a flexible demand driven TVET system in Uganda 	MOE, MoFPED	MoLG, CSOs, Training Institutions, MoWT, DLG	By end of 2025
Public awareness campaign developed and implemented	<ul style="list-style-type: none"> Develop and operationalize a public awareness campaign to tackle the negative mindset against TVET 	MOE, MoFPED	MoLG, CSOs, Training Institutions, MoWT, DLG	By end of 2025
No of institutions with new infrastructures and equipment. Number of equipment and tools installed in national and regional education and training centres	<ul style="list-style-type: none"> Expand coverage of infrastructure, tools and equipment's to match the education, training and skilling demands of the labour market 	MOE, MoFPED	MoLG, CSOs, Training Institutions, MoWT, DLG	By end of 2025
No. of out of school youth accessing internships	<ul style="list-style-type: none"> Extend internship programme to out-of-school youths 	MoGLSD	MoICT&NG Private Sector	2 years
Career guidance and counselling programmes designed and implemented	<ul style="list-style-type: none"> Integrate career guidance and counselling in all levels of education to facilitate school-to-work transition. 	NCDC MoES	MoICT&NG,	2 years
No. of approved incentives	<ul style="list-style-type: none"> Incentivize the private sector to undertake skills development 	<ul style="list-style-type: none"> Ministry Trade MoFPED Development Actors 	Private sector Associations	Within 1 year
No of partnerships and/or MoUs signed	<ul style="list-style-type: none"> Strengthen partnerships between education and training providers and the private sector for the development of applied research and business incubators. 	MoES NCHE	Ministry of Trade Private sector Associations	Within 1 year
An operational training levy	<ul style="list-style-type: none"> Operationalise the training levy to increase access to training as per the BTVET act of 2008. 	MoE	MoFPED	Continuous
Number of new alternative learning opportunities/platforms	<ul style="list-style-type: none"> Provide alternative learning opportunities and platforms other 	MoE	MoFPED	Continuous

developed and implemented.	than the standing learning systems			
Strategic Objective 3: Promote innovation and entrepreneurship through education and training		Outcome indicator 1. Decrease in youth unemployment rate No. of Innovations at firm level and nationally per year 2. No. of business start-ups annually 3. No of tailor-made entrepreneurship programmes specifically targeting girls and women, including in rural areas		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
No. of district innovation centres established	• Establishment of Innovation Centres at District/City levels	Ministry of Science, Technology & Innovation	Private Sector, LGs	By 2027
Entrepreneurship and business education fully integrated in the revised Tertiary, TVET and secondary school curriculum including the design of teaching materials and teacher training	• Based on the BDS strategy strengthen and integrate entrepreneurship and business education and training at all levels of education to ensure that learners are equipped with relevant business development skills and soft skills	NCHE, MoES		
Revised entrepreneurship Guidebook modules developed	• Continuous update and upgrade entrepreneurship Guidebook modules	MoES	NCDC	
Functional Regional Business Development Centers I	• Create regional Business Development Centers (BDCs) to support business start-ups, growth and sustainability of businesses	Enterprise Uganda, FUE	MoFPED, DPs, BTVET, MICT	

III. ELIMINATE THE BARRIERS TO EMPLOYMENT OF VULNERABLE GROUPS (WOMEN, PWDS, YOUTH, REFUGEES, MIGRANTS AND LONG-TERM UNEMPLOYED)

Problem Statement 1: Increasing rate of youth unemployment in comparison to other unemployment categories especially for the young females				
Goal: Reduce the unemployment rate among the youth and females in Uganda in the medium term		Goal Indicators 1. Increased creation of new jobs by females and youth 2. Increased absorption of the youth and females in the job market		
Strategic Objective 1: To promote value addition and industrialisation among Youth SMEs in rural and urban areas to increase youth employment		Outcome Indicator 1. Number of new local SMEs that engage in value addition and industrialisation		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Number of credit worthy youth in commercially viable value addition	<ul style="list-style-type: none"> Loan scheme targeting commercially viable value addition activities by youth in rural areas 	MoFPED	ILO, MAAIF, MOLG, DLGs	5 YEARS
Enhanced procurement of goods and services from businesses owned by the youth and females	<ul style="list-style-type: none"> Develop guidelines for preferential procurement from youth and female owned businesses 	PPDA	Business associations like KACITA, FSMEs	2 - 3 years
	<ul style="list-style-type: none"> Allocating quotas for bids going to youth and female owned businesses 	PPDA	Business associations like KACITA, FSMEs	2 - 3 years
Enhanced capacity to access markets	<ul style="list-style-type: none"> Capacity building on value addition and industrialization 	MTIC	Enterprise Uganda, MoES	Annual
	<ul style="list-style-type: none"> Market linkages for youth and female owned businesses 	MTIC	MEACA, Enterprise Uganda	Annual
Strategic Objective 2: To change youth mindset and interest them in agro industrialisation.		Outcome indicator 1. Status in employment of youth in agro-industrialisation 2. Participation rate in education, training and sensitization programme		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Trainings and sensitization programs held and participation by age and gender	<ul style="list-style-type: none"> Trainings and sensitization sessions on the available opportunities and benefits within the agro industrialization value chain 	MOES, MAAIF	Universities, Agriculture Training Institutes, Fisheries Training Institute, NARO, UBTEB, DTI	Annual
Skill transfer programmes facilitated	<ul style="list-style-type: none"> Promote skills acquisition through exchange programmes for rural and urban youth 	MOES, MAAIF	Universities, Agriculture Training Institutes, Fisheries Training	Annual

			Institute, NARO, UBTEB, DTI	
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Problem Statement 2: Decline in the labour force participation rate for Persons with Disability (PWDS) and Women

Goal: Increase labour force participation rate for PWDS and Women	Goal Indicators 1. Increase labour force participation for PWDS from the current 42.1% to 50% by 2025 2. Increase labour force participation for women from 39% to 50% by 2025
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Strategic Objective 1: Improve working environment for all special interest group (including PWDS and women) through implementing protocols, conventions and laws regulating workplace practices and workers' rights among employers, employees and regulators	Outcome Indicator 1. Number of workplaces with disability-friendly infrastructure and amenities 2. Number of sensitization campaigns conducted 3. Share of the national budget allocated to PWD working environment 4. 1. Improvement of legal and institutional framework in compliance with ratified international labour standards
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Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Employers and employees sensitized on the promotion of a conducive workplace environment for PWDS	<ul style="list-style-type: none"> Conduct sensitization campaigns employers and employees to promoting a conducive workplace for PWDS and women 	MGLSD	FUE, NUDIPU	2025
Contracts or MOUs for establishment of PWDS infrastructure signed	<ul style="list-style-type: none"> Sign contracts or MoU with employers to enforce protocols, laws, regulations and put in place necessary infrastructure for PWDS and women 	MGLSD	FUE, WORKERS UNIONS	2025
Women and Disability inclusive budgeting done	<ul style="list-style-type: none"> Employers have women disability inclusive budgeting 	MoFPED	NPA MGLSD	2025

Strategic Objective 2: Create jobs tailored for PWDS	Outcome indicator 1.Share of female/male PWDS employed 2. Share of jobs created for PWDS over total number of jobs
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Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Stakeholder engagement on jobs fit for PWDS conducted	<ul style="list-style-type: none"> Conduct stakeholder engagement to identify jobs fit for PWDS 	NUDIPU/NCPD	MGLSD	2025
Awareness on available jobs for PWDS enhanced	<ul style="list-style-type: none"> Promote awareness on available jobs through established job centres 	MGLSD	FUE, PSFU, MoPS	2025
Compliance with Quota system for PWDS at work	<ul style="list-style-type: none"> Implement the quota system for PWDS at work 	MoPS	MGLSD, PSFU, NCPD	2025
Number of employers	<ul style="list-style-type: none"> Create awareness to employers on the allowed deductions of 	MGLSD	MoFPED Disability Organizations	2025

employing PWDs increased	up to 10% on the chargeable income of (under the Income Tax Act, section 9(5)) when they employ PWDs.			
Strategic Objective 3: Improve working environment for Women		Outcome indicator 1. Share of women employed by broad economic categories 2. Share of women employed by broad occupational categories 3. Share of jobs created for women over total number of jobs created		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Sensitization campaigns on the promotion of women's rights at work conducted	<ul style="list-style-type: none"> Conduct sensitization and awareness campaigns on women's rights at work 	MGLSD	RHU UNICEF UN WOMEN	2025
Compliance with Quota system for women at work	<ul style="list-style-type: none"> Implement quota system for women at work particularly the private sector 	MGLSD	PSFU FUE	2025
Breastfeeding corners at workplaces established	<ul style="list-style-type: none"> Establishment of breastfeeding corner at workplaces 	MOH	MGLSD UNICEF UN WOMEN	2025
Strategic Objective 4: Strengthen the capacity of Labour offices to conduct Labour inspections		Outcome indicator 1. Share of economic units and workers covered by inspection; 2. Number and type of labour law violations, especially the ones related to OSH detected annually and proportion redressed		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Number of districts with substantive labour officers	<ul style="list-style-type: none"> Recruitment of labour officers in all districts to implementation of labour laws and comply with OSH standards at formal and informal workplaces 	MGLSD	NOTU/COFTU FUE	
Labour officers trained on prevailing standards and integrating them with decent work in planning	<ul style="list-style-type: none"> Train Labour officers trained on prevailing standards and their enforcement 	MGLSD	DLG	2025
Labour offices across the country equipped with necessary infrastructure	<ul style="list-style-type: none"> Equip Labour offices (infrastructure) 	MoLG	MoFPED MGLSD DLG	2025

<p>Funds for labour inspections mobilized and allocated</p>	<ul style="list-style-type: none"> Mobilize funds for Labour inspections by allocate 40% of non-tax revenue generated by the employment Services department to employment creation programs and inspections 	<p>MoFPED</p>	<p>MGLSD MoLG</p>	<p>2025</p>
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IV. STRENGTHEN LINKS BETWEEN EMPLOYMENT AND SOCIAL PROTECTION TO PROMOTE DECENT WORK AND MINIMISE DEPENDENCY

Problem Statement: Low social protection for persons in employment.				
Goal: Increase the share of employed persons having social protection coverage especially in both formal and inform jobs.		Goal Indicators 1. Proportion of the population accessing social insurance (percent) increased from 5 percent in 2017/18 to 20 percent in 2024/25. 2. Increase in the proportion of the population accessing Universal health care from 44 percent in 2018 to 60 percent in 2025		
Strategic Objective 1: Strengthen implementation of labour laws and occupation health and safety (OSH) at formal and informal workplaces		Outcome indicator 1. Annual number of women and men covered by social and health insurance by 1 percent point 2. Number of activities on OSH organised by social partners. (Workshops, work meetings, press conferences, press releases, articles etc) 3. Number of participants in workshops and work meetings on OSH organised by social partners 4.. Number of workshops for labour inspectors 5. Number of sensitisation campaigns and materials produced		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Sensitization campaigns on existing protocols, laws and regulations conducted	Sensitization campaigns to create awareness about existing protocols, laws and regulations.	MoGLSD	COFTU, NOTU, FUE	
Worker place safety assurance	<ul style="list-style-type: none"> Implementing spot audits by labour inspectors to enforce of industry related OSH standards, laws and regulations requirements including Workman's compensation policy 	MGLSD	LGs, MTIC	1 YEAR
Bargaining power	<ul style="list-style-type: none"> Develop and implement a training plan for the members of employers and workers organisations on collective bargaining and wage setting mechanisms 	MGLSD	LGs, CSO, COFTU, NOTU, FUE	1 YEAR
Employee health and safety ensured	<ul style="list-style-type: none"> Providing protective gears to high-risk employments 	MGLSD	MoES, DIT	NDP III Period
Provision of health insurance services	<ul style="list-style-type: none"> Fast-track the approval of the National Health Insurance scheme 	IRA, MoH, MoGLSD	Parliament, CSOs, NOTU, COFTU	NDPIII Period
Labour laws amended	<ul style="list-style-type: none"> Amend Labour laws to allow flexible work arrangement with job security (flexicurity) 	MGLSD	MoJCA, JLOS, PARLIAMENT	2025
Awareness of flexible work arrangements for	<ul style="list-style-type: none"> Create awareness of flexible work arrangement with security of job 	MGLSD		2025

women and PWDs put in place				
Contracts that allow flexible work put in place	<ul style="list-style-type: none"> Contracts that allow flexible work with job security 	MGLSD	FUE TRADE UNIONS PSFU	2025
Strategic Objective 2: Provide opportunities for universal health care and insurance for all		Outcome Indicator 1. Number of households with access to universal health care and insurance within vulnerable employment units		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Households at village level registered for Health insurance through VHTs and Para-Social Workers (PSWs)	<ul style="list-style-type: none"> Advocacy Register persons for HI benefit 	MoH	DLGs, MGLSD	2025
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Design, implement and monitor the informal sector social protection initiatives.	<ul style="list-style-type: none"> Conducting annual assessments of informal sector social protection initiatives at local administrative units through monitoring checklists 	Client and service providers	MDSs	2025
Policy strengthening	<ul style="list-style-type: none"> Formation of different informal sector social protection forums Regulation of agencies that recruit labour immigrants (safety and job specifications) or outsource workers/contractors 		MDAs	2023
Strategic Objective 3: Integrate and improve social protection in programmes, plans and budget.		Outcome indicator		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Plans and budgets in place	<ul style="list-style-type: none"> Conduct joint planning with different stakeholders targeting social protection interventions. 	District local governments, NGOs		2023
Conditional grants allocated	<ul style="list-style-type: none"> Central government allocates conditional grants on social protection in all Ministries and local government departments. 	MoFPED		2023
Social protection policies enforced.	<ul style="list-style-type: none"> Availability and enforcement of social protection policies on child labour, social support and social care. 	Local Government.	Ministry of gender labour and social development and NGO'S.	

Strategic Objective 4: Strengthen mobilization and sensitization of the population on social protection.		Outcome indicator		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Communities mobilized and sensitised	<ul style="list-style-type: none"> Conduct community meetings Hold radio talk shows Community barazas Use of religious institutional structures Use of cultural institutional structures. 	Community development department. NGOs, Religious institutions, Cultural institutions, Media. LG, MICT	MGLSD	2024
Strategic Objective 5: Scale-up programmes that target the working poor.		Outcome indicator		
		Number of the working poor enrolled in social protection programs		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Increase in income level of households through labour intensive public works programs	<ul style="list-style-type: none"> Scaling up intensive public works programs 	Local Government.	Ministry of gender labour and social development. NGO'S	September 2023 - continues
Vulnerability assessment of households	<ul style="list-style-type: none"> Conduct a vulnerability assessment of marginalized households 	MGLSD, Local Governments	CSOs	1 year
Provide a platform for bottom to top planning	<ul style="list-style-type: none"> To strengthen platforms for inclusive bottom top planning process at all levels 	MGLSD, Local governments	CSOs,	1 year
Strengthen social safety nets	<ul style="list-style-type: none"> Build capacity of local structures like; cultural institutions, local structures, local employees, Private sector, NGO's, 	MGLSD, parliament, Judiciary	CSOs	1 year
Linking intensive public work social protection with private sector.	<ul style="list-style-type: none"> Mobilize the private sector support to social protection for the vulnerable groups as part of their corporate social responsibility. 	Regulatory authorities, for example UNRA for Roads, Local government	NGOs, Media	
Strategic Objective 6: Improve flexible work arrangements with security (flexicurity) for better employability, targeting women and PWDs		Outcome indicator		
		1.New employment service model based on flexi work 2. Share of female and male registered unemployed progressing through the new service model by sector and by occupation		
Output Measures	Strategic Action/interventions	Responsible Institution	Partner Institution	Timeline
Labour laws amended	<ul style="list-style-type: none"> Amend Labour laws to allow flexible work arrangement with job security (flexicurity) 	MGLSD	MoJCA JLOS PARLIAMENT	2025

Awareness of flexible work arrangements for women and PWDs put in place	<ul style="list-style-type: none"> • Create awareness of flexible work arrangement with security of job 	MGLSD		2025
Contracts that allow flexible work put in place	<ul style="list-style-type: none"> • Contracts that allow flexible work with job security 	MGLSD	FUE TRADE UNIONS PSFU	2025
Collective Bargaining agreements enforced	<ul style="list-style-type: none"> • Enforce collective workplace bargaining 	TRADE UNIONS	MGLSD	2025

ANNEX 2: Detailed costing of the NES pillars action Ppan)

ANNEX 3: NES Results Framework

NES Pillar I: STRENGTHEN ECONOMIC POLICIES AND PROGRAMMES TO ACHIEVE JOB-RICH INVESTMENT AND GROWTH				
Strategic objective	Inputs	Outputs	Outcome Indicator	Comments/Assumptions
1. Increasing access to low-cost credit for MSMEs	<ul style="list-style-type: none"> • Availing financing to enterprises through a dedicated Fund • Develop a credit guarantee scheme to reduce lending risk for SMEs • Assess the employment outcome of monetary policy interventions 	Growth in participation in the job market	<ol style="list-style-type: none"> 1. Number of credit facilities and products tailored to the unique needs of local SMEs in Uganda 2. Proportion of SMEs that have access to credit facilities 	1. Data sources from BOU financial Inclusion surveys, business surveys
2. Promote tax incentives that are conditioned to employment creation	<ul style="list-style-type: none"> • Implement Countrywide Tax education for businesses • Implementing Tax waivers to incentives job creation • Implement Single licensing regime for SMEs to avoid bureaucracy and the tax burden faced by SMEs due to payment of different licenses by different local and national bodies 	<ul style="list-style-type: none"> • Tax education delivered • Provision of tax exemptions and waivers for some categories of businesses that create more jobs • Single License Regime 	<p>Number of implemented Incentives to attract creation of jobs</p> <p>2. Number of revisions in the Investment code that give incentives that enable the establishment of jobs by local and foreign investors</p>	. Data from URA and URSB
	<ul style="list-style-type: none"> • Establishment of Innovation Centres at District/City levels 	No. of district innovation centres established	Jobs and SMEs created from Innovation centres	
	<ul style="list-style-type: none"> • Based on the BDS strategy strengthen and integrate entrepreneurship and business education and training at all levels of education to 	Entrepreneurship and business education fully integrated in the revised Tertiary, TVET and secondary school education to	Increased efficiency and success of new start ups	
	<ul style="list-style-type: none"> • Continuous update and upgrade entrepreneurship Guidebook modules 	Revised entrepreneurship	Increased efficiency and success of new start ups	

		Guidebook modules developed		
	<ul style="list-style-type: none"> Create regional Business Development Centres (BDCs) to support business start-ups 	Functional Regional Business Development Centres	Jobs and SMEs created from Innovation centres	
3. Increase the transition rate of informal businesses to formal sector	<ul style="list-style-type: none"> Hold sensitization and advocacy campaigns with informal sector players on the benefits of formalization 	Sensitization and advocacy campaigns on formalization conducted	<ol style="list-style-type: none"> Transition rate from informal to formal businesses Number of businesses that formalize their operation per year 	
	<ul style="list-style-type: none"> Local governments to register new and old businesses and share information with URSB 	Decentralized business registration through empowered Local governments to register local businesses	Number of businesses registered by local governments	
4. Strengthen the institutional and organisational capacity of the private sector to increase productivity	<ul style="list-style-type: none"> Implementation of the BDS framework 		1. Share of female/male workers employed under informal employment arrangements	
Private sector organization capacity strengthened	<ul style="list-style-type: none"> Provide the requisite ICT infrastructure to increase digitization and automation of business processes 		<ol style="list-style-type: none"> Existence of a well-functioning regulation mechanism over activities of recruitment agencies Regulated legal framework for inspection of private employment agencies 	
	<ul style="list-style-type: none"> Strengthen industry associations, chambers of commerce and trade unions 			

5. Strengthen implementation of labour laws and occupation health and safety (OSH) at formal and informal workplaces	<ul style="list-style-type: none"> Enrolling workers in health insurance schemes 	Comprehensive and frequent labour market data	.1. Annual number of women and men covered by social and health insurance by 1 percent point	
Worker place safety assurance	<ul style="list-style-type: none"> Implementing spot audits by labour inspectors to enforce of industry related OSH standards, laws and regulations 	Framework developed and implemented	2. Number of activities on OSH organised by social partners. (Workshops, work meetings, press conferences, press releases, articles etc)	
	<ul style="list-style-type: none"> Trainings for trade union workers 	Sensitization campaigns implemented	3. Number of participants in workshops and work meetings on OSH organised by social partners	
	<ul style="list-style-type: none"> Training workshops for labour inspectors 	Methodologies and modules integrating gender sensitive labour market information	4.. Number of workshops for labour inspectors	
	<ul style="list-style-type: none"> Sensitization campaigns 		5. Number of sensitisation campaigns and materials produced	
6. Establish a comprehensive and functional labour market information system	<ul style="list-style-type: none"> Undertake administration of regular labour and employment surveys 		1. Harmonised national indicators for LMIS	
	<ul style="list-style-type: none"> Develop and operationalize the National Labour Market Statistics Framework for Uganda 		2. Level of availability, accessibility and usage of labour market Information in governance and decision making	
	<ul style="list-style-type: none"> Popularise the labour market information system 		3. Data bases developed and rolled-out Level of usage of administrative data	
PILLAR II. STRENGTHEN EDUCATION AND TRAINING SYSTEM TO MEET LABOUR MARKET NEEDS				
1. Enhance the quality and relevance of the	Skills audits		1 Employment rate of recent graduates 2 Enrolment in vocational programmes	

TVET education and training system to respond to the changing needs of the labour market	School Inspections		Share of TVET institutions covered by inspection	
	Re-skilling and re-tooling		3. Number of TVET Tutors reskilled	
	Competency based assessments		4. Number of students with certifications based on competence	
PILLAR III. ELIMINATE THE BARRIERS TO EMPLOYMENT OF VULNERABLE GROUPS (WOMEN, PWDS, YOUTH, REFUGEES, MIGRANTS AND LONG-TERM UNEMPLOYED)				
1. Promote value addition and industrialisation among Youth SMEs in rural and urban areas to increase youth employment	<ul style="list-style-type: none"> Loan scheme targeting commercially viable value addition activities by youth in rural areas 	Number of credit worthy youth in commercially viable value addition	<ol style="list-style-type: none"> Increased creation of new jobs by females and youth Number of commercial SMEs that access credit facilities 	
	<ul style="list-style-type: none"> Develop guidelines for preferential procurement from youth and female owned businesses 	Enhanced procurement of goods and services from businesses owned by the youth and females	<ol style="list-style-type: none"> Increased absorption of the youth and females in the job market 	
	<ul style="list-style-type: none"> Allocating quotas for bids going to youth and female owned businesses 		<ol style="list-style-type: none"> Number of new local SMEs that engage in value addition and industrialisation 	
	<ul style="list-style-type: none"> Capacity building on value addition and industrialization 	Enhanced capacity to access markets		
IV. STRENGTHEN LINKS BETWEEN EMPLOYMENT AND SOCIAL PROTECTION TO PROMOTE DECENT WORK AND MINIMISE DEPENDENCY				
	<ul style="list-style-type: none"> Advocacy Register persons for HI benefit 	Households at village level registered for Health insurance through VHTs and Para- Social Workers (PSWs)	<ol style="list-style-type: none"> Number of households with access to universal health care and insurance within vulnerable employment units 	
	Labour intensive public works		<ol style="list-style-type: none"> Number of households that benefit from labour intensive public works 	

ANNEX 4: Employment Governance Framework-Roles and Responsibilities

The key roles and responsibilities of each body is set out in the table below:

Cabinet	
1. Chair	President/Prime Minister
2. Main Roles and Responsibilities	<ul style="list-style-type: none"> • Provide overarching political support to the inter-ministerial committee on the delivery of the NES. • Promote and mainstream employment objectives through existing public policy instruments at the national, sectoral and local levels.
3. Participants	a) Membership <ul style="list-style-type: none"> • Members of the Cabinet b) Secretariat: <ul style="list-style-type: none"> • NEC Secretariat
4. Frequency	Quarterly or as requested by the chair.
Inter-ministerial Committee – Top Policy Management	
1. Chair	Chair: Minister of the Ministry of Gender, Labour and Social Development
2. Main Roles and Responsibilities	<ul style="list-style-type: none"> • Provide political leadership and oversight for the coordination and implementation of the NES. • Provide policy guidance and direction to MDAs to coordinate and mainstream employment policies, strategies and programmes across all public administration levels. • Work closely with development partners interested in financing employment aspects of the country's development agenda. • Provide regular briefing and updates on the progress of the NES's delivery to the Cabinet.
3. Participants	a) Membership <ul style="list-style-type: none"> • Ministry of Gender, Labour and Social Development • Ministry of Financing, Planning and Economic Development, • Ministry of Agriculture, Animal Industry and Fisheries, • Ministry of Public Service • Ministry of Education and Sports • Ministry of Trade, Industry and Cooperatives b) Permanent Observers: <ul style="list-style-type: none"> • Donors and Development Partners • Federation of Uganda Employers • National Organisation of Trade Unions c) Secretariat: <ul style="list-style-type: none"> • NEC Secretariat
4. Frequency	Quarterly or as requested by the chair.
National Employment Council (NEC)	
1. Chair	Permanent Secretary of the Ministry of Gender, Labour and Social Development
2. Main Roles and Responsibilities	<ul style="list-style-type: none"> • Provide overall technical guidance, direction and oversight on the formulation, implementation and resource mobilisation of the NES. • Ensure the necessary institutional arrangements are put in place through the effective facilitation of multi-sectoral coordination efforts within the design and delivery of the NES. • Ensure the alignment of NES objectives and interventions with the NDP III and other national and local level strategies/plans. • Ensures the coordination of NES delivery with other relevant interventions and programmes at national and local level, i.e. Working Groups on Labour and Employment and Human Capital Development and National LED Secretariat, etc.

	<ul style="list-style-type: none"> • Monitor and assess the performance and progress of the NES’ delivery, ensuring utmost adherence to the guiding principles and other best practices recommended by other bodies within the framework. • Guide, operationalise and oversee the work of the Secretariat and LMIS unit to provide the necessary support to the functioning of the NEC. • Serve as the key problem-solving and risk management body in the delivery of NES interventions. <p>The NEC is supported by the following bodies:</p> <ol style="list-style-type: none"> 1. NEC Task Forces will be established upon the completion of the NES and will consist of: <ul style="list-style-type: none"> ▶ Standing Task Forces: permanent committees which are specifically tasked to handle the different components/pillars of NES. ▶ Ad-hoc Task Forces: makeshift committees which are temporarily set up to carry out specific activities as and when assigned. 2. LMIS will be hosted in the MoGLSD to: <ul style="list-style-type: none"> • Produce systematic, timely and up-to-date LMIA to diagnose the labour market situation and trends in its broader macro-economic context to inform policy-making and programming. • Guide the focused collection and compilation of labour statistics and information in the country in collaboration with UBOS. • Interpret and analyse the best and most relevant statistics and disseminate LMIA on a continuous basis. • Serve as a hub for labour market statistics and information as part of a broader labour market intelligence system. • Provide advice and guidance in the area of employment to the various producers and users of labour market information. 3. Secretariat will be hosted in the MoGLSD to: <ul style="list-style-type: none"> • Provide coordination support to the NEC in the operationalisation of the governance framework. • Make strategic efforts to expand the role and influence of social dialogue within the government and beyond to address broader socio-economic policy development. • Promote better information and data sharing across all levels, including disaggregated data on all programmes and activities. • Take minutes, schedule meetings, ensure that overall communication and dissemination efforts are undertaken, and action plans followed. • Work closely with Standing and Ad-hoc Task Forces, MDAs and local governments to adopt and effectively participating in the employment governance framework. 4. Development Partners <ul style="list-style-type: none"> • Play a key role in providing technical and financial support to the design and delivery of the NES. • Participate in the various Standing and Ad-hoc Task Forces in accordance with their mandate and portfolio.
<p>3. Participants</p>	<p>a) Membership</p> <ul style="list-style-type: none"> • Ministry of Gender, Labour and Social Development • Ministry of Financing, Planning and Economic Development, • Ministry of Agriculture, Animal Industry and Fisheries, • Ministry of Public Service • Ministry of Education and Sports • Ministry of Trade, Industry and Cooperatives • National Planning Authority • Uganda Bureau of Statistics • Donors and Development Partners • Federation of Uganda Employers

	<ul style="list-style-type: none"> National Organisation of Trade Unions <p>b) Permanent Observers:</p> <ul style="list-style-type: none"> Working Groups on Labour and Employment Human Capital Development Working Group National Secretariat for LED <p>c) Secretariat:</p> <ul style="list-style-type: none"> NEC Secretariat
4. Frequency	Monthly or as requested by the Chair.
Local Governments	
1. Chair	CAO/Town Clear
2. Main Roles and Responsibilities	<ul style="list-style-type: none"> Identify key employment priorities at the local level and accordingly communicate to the Standing and Ad-hoc Task Forces of the NES. Promote the mainstreaming of employment objectives and priorities in local-level planning and budgeting processes as well as in existing implementation frameworks, i.e. district development plans/LED plans. Mobilise resources and investments from multiple sources – public, private and communities – to maximise effectiveness in employment creation interventions. Monitor and analyse planned and ongoing employment creation projects and programmes as part of the wider local economic interventions. Report employment related issues to the MoLG to ensure that local government priorities are linked and well-articulated to NEC. <p>Citizens</p> <ul style="list-style-type: none"> Participate and engage through their local district platforms and citizens Baraza's organised by the OPM and MoLG. Play a critical role in advocating for and enabling public institutions to be more effective, accountable, transparent, and equally important inclusive through digital platforms. Contribute to assessing local needs through physical and virtual meetings/consultations regarding the vision and mission of the NES. Contribute to the effective design and delivery of local public projects and assist their implementation of employment creation initiatives.
3. Participants	<p>a) Membership:</p> <ul style="list-style-type: none"> District councils, departments of planning Representatives of Employer and Workers Organisation Representatives of Local Civil Society Organisations <p>b) Permanent Observers</p> <ul style="list-style-type: none"> Representatives of MDAs at the local level <p>c) Secretariat:</p> <ul style="list-style-type: none"> Local government employment officers
4. Frequency	Biweekly or as designated by the Chair.

ANNEX 5: NES Formulation Process

The formulation of the National Employment Strategy (NES) for Uganda was conducted through a national consultative process. The NES formulation was therefore conducted through the following procedures:

1. **Identification of the consultant:** The Economic Policy Research Center (EPRC) was identified as the consultant for the formulation of the NES.
2. **Constitution of the Technical Drafting Committee:** The technical drafting committee as a sub-committee of the National Employment Council (NEC) was constituted to support the formulation of the NES
3. **Review of the formulation processes by the NEC:** The National Employment Council was charged with the responsibility of reviewing and approving all steps towards the formulation of the NES.
4. **Regional Consultations:** The NES formulation was subjected to regional consultative processes. The consultations covered the following regions:
 - a) Busoga Region- Nile Village Hotel and Spa
 - b) Teso Sub-Region- Akello Hotel
 - c) West Nile Sub-Region- Heritage Courts Hotel, Arua
 - d) Bunyoro Sub-Region- Hoima Resort Hotel
 - e) Ankole Sub-Region-Igongo Cultural Resort Hotel
5. **Sectoral Consultations:** The NES further went through sectoral consultative processes, bringing together key programmes as identified in the NDP III as below:
 - a) Oil and Gas, and Manufacturing
 - b) Construction & Real Estate, and Works and Transport
 - c) Agriculture, Trade and Tourism
6. **Tripartite and Employment Experts Consultations:** As part of the need to observe the tripartite arrangements, there were consultations with the social partners, including FUE, NOTU, COFTU and specific labour unions. There were also consultations with employment experts and the NDP III labour and employment sub-programme.
7. **The National Employment Council:** As an overall body for the approval and adoption of the NES, the NEC met regularly to review the drafting and formulation processes of the NES.