MOFPED TIMES
Privileged Insights

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ISSUE No. 5 October - December 2021

GOVERNMENT OFFICIALS TRAINED IN PUBLIC INVESTMENT MANAGEMENT

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APRM Uganda's National Program of Action on steady progress

VISION

" A Competitive Economy for National Development"

MISSION

To Formulate Sound Economic Policies, Maximize Revenue Mobilization, Ensure Efficient Allocation and Accountabilty for Public Resources so as to Foster Sustainable Economic Growth and Development

CORE VALUES

Professionalism, Result - oriented, Efficiency and Effectiveness, Teamwork, Integrity, Transparency and Innovativeness

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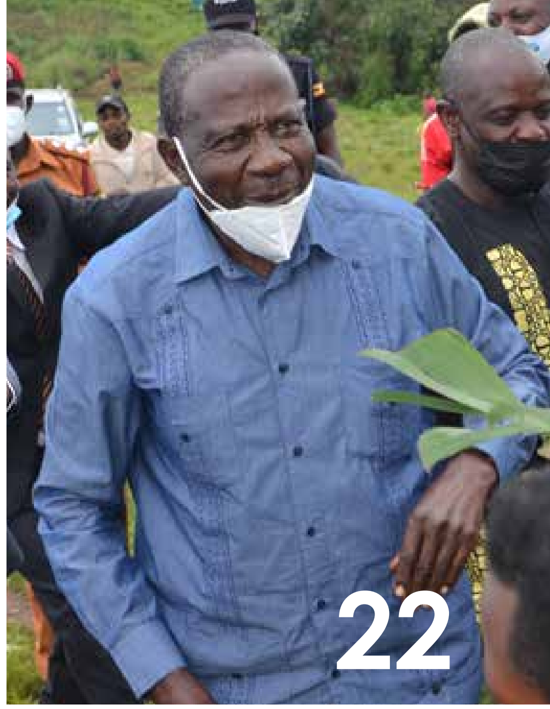

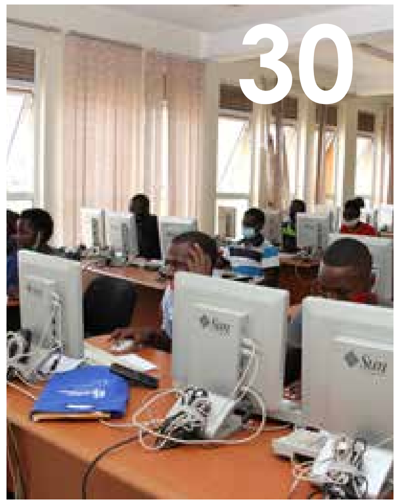

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Ramathan Ggoobi
Permanent Secretary and Secretary to the Treasury

Ministry of Finance, Planning and Economic Development.

Salutations

Dear Esteemed Stakeholders,

It is with great pleasure that I welcome you to this Issue of the MOFPED TIMES at a time when we are more optimistic than ever before about the recovery of our economy after weathering a turbulent time of COVID-19 for almost two years.

At MoFPED, we have prioritised facilitating the Ministry of Health and other Partners to vaccinate as many people as possible, because this has proved to be the game changer that will facilitate full the reopening of the economy.

Government is continuing to put in place measures to support the recovery of the economy, and we are hopeful that the recently launched UGX 200 billion Small Businesses Recovery Fund (SBRF) accessible at a low interest rate of 10% will bolster small formal businesses to recover from the effects of COVID-19. This is in addition to the already established funds for micro, medium and large enterprises through the Microfinance Support Centre and UDB respectively.

On the side of streamlining resource allocation, both the Budget Strategy and the Budget Framework Paper for FY 2022/23 have been aligned to NDP III. Like I have always said, it is the plan which should inform the budget and I am pleased to note that we have budgeted for what the Country has agreed to be the priorities.

In addition to fast-tracking infrastructure development, we are focusing the budget during these five years (2021-2026) on our priorities for socio-economic transformation through improving household incomes, wealth creation, job creation, import substitution and export promotion as well as industrialisation.

Our development agenda is also aligned to the private sector efforts because NDP III has informed us of the need to streamline both the public and private sector roles in the context of developing a competitive private sector in Uganda.

We are implementing practical actions under the Domestic Revenue Mobilization Strategy (DRMS) to generate more revenue and we are committed to be guided by the recently approved Charter for Fiscal Responsibility to ensure that the public debt remains sustainable.

I congratulate you all for successfully going through 2021 and I wish you a prosperous 2022.

Enjoy your Reading!

Ramathan Ggoobi

Permanent Secretary and Secretary to the Treasury

Kampala City

Aerial view of Kampala City, Uganda's Capital City

Apollo Munghinda
Principal Communications Officer

Ministry of Finance, Planning and Economic Development.

Dear Stakeholders

Greetings and Happy New Year

I am very delighted once again to share with you privileged insights from MOFPED through this platform.

I congratulate you for peacefully going through the year 2021 which was quite challenging. I also wish you a very fruitful new year 2022 where we are hopeful that our economy will perform better than the previous year.

In this Issue, we bring you highlights on economic recovery initiatives such as the Small Businesses Recovery Fund (SBRF), a stimulus package for small formal businesses accessible at very low interest rates.

We also share insights on why the industrialisation agenda is being prioritised as a key driver for socioeconomic transformation of Uganda.

In this edition, we discuss why the review of the EAC Common External Tariff is important for Uganda and the region. Finally, we discuss competitiveness and private sector perfomance in Uganda.

I wish you pleasant reading!

Apollo Munghinda

Principal Communications Officer

Small Businesses Recovery Fund to address high cost of capital, interest rates

By MoFPED Comms Team

The recently established small businesses recovery Fund (SBRF) will be key in addressing business constraints such as high cost of capital and high interest rates, according to the Finance Ministry Permanent Secretary/ Secretary to Treasury, Ramathan Ggoobi.

Under this Fund, Government has provided an initial UGX 100 billion and the Participating Financial Institutions (PFIs) will also contribute UGX 100billion to form a consortium pool of UGX 200 billion.

The memorandum of agreement was signed by the Finance Minister Matia Kasaija on behalf of Government, Bank of Uganda which will administer the fund on behalf of Government and Uganda Bankers Association on behalf of commercial banks regulated by the Bank of Uganda.

According to Ggoobi, the sh200b Fund will provide concessional loans to eligible borrowers to support businesses recovery to their production potential, adding that they should have been operational prior to the outbreak of the COVID-19 pandemic.

"This intervention will cater for small businesses to complement other existing interventions since Micro enterprises have been reasonably supported under different Government programs. Micro entrepreneurs organized in groups are being catered for under Emyooga Program," he said.

He added that the Large and Medium enterprises have been catered through the Uganda Development Bank (UDB) and Agriculture Credit Facility (ACF) that provide funding for large and medium agriculture entrepreneurs.

Launch Of Small Businesses Recovery Fund (SBRF)

"Our motivation for this approach is to stimulate those enterprises with multiplier effect to enable economic recovery and save majority of the population who are employed by this segment of businesses," Ggoobi explained.

He said the goal of the fund is to sustainably support small businesses to recover and resume operations at their levels and beyond positions they were before Government instituted the Standard Operating Procedures (SoPs) to control spread of Covid-19 countrywide.

Eligible businesses

The Finance Minister Matia Kasaija said all small businesses operated by individuals, groups, partnerships and companies, employing 5- 49 people and with annual turnover of UGX 10million to UGX 100million are eligible under the fund.

"A borrower/ group of related parties shall only access financing once under the fund. They shall not be eligible for a top up. Multiple borrowing from more than one PFI shall not be allowed," he stated.

Kasaija explained that all businesses that are eligible under the ACF and those that have been financed under ACF are not eligible for funding under the Micro Small and Medium Enterprises Fund.

"The maximum amount to a borrower under this intervention shall be UGX 100million and there's no minimum amount."

Cost of loans under this Fund

According to the Minister, the Government component to the PFIs will be interest free so as to reduce the cost of the funds and ensure that institutions lend at a concessional interest rate. He said interest rate chargeable by the PFIs shall not exceed 10% on reducing balance basis.

"Facility fees charged by PFIs to eligible borrowers will not exceed 0.5% of the total loan amount and shall be a one-off charge. Legal documentation, insurance and registration costs shall be borne by the borrower," he stated.

Loan tenure, security

Kasaija said loans to eligible borrowers will be extended for periods of a minimum of six months and a maximum of four years which shall include a grace period of a maximum of one year depending on the nature of the project as agreed upon the borrower and PFI.

SBRF

Finance Minister (L) after signing SBRF Agreement with Bank Of Uganda and Uganda Bankers Association

"The loan facilities under this Fund will be secured by collateral of any form as agreed upon by PFI and the PFI's borrower in accordance to lending policies," he stated.

What SMEs say

John Walugembe, the Executive Director Federation of Small and Medium Sized Enterprises (FSMES) applauded the Government on the package, saying most of the conditions were negotiated with the parties involved.

"We didn't get everything that we wanted but overall, it's a good deal. We think the conditions will tend to favour small businesses in particular. There's one thing I want to emphasize, this fund is specifically for small businesses that employ between 5-49 people and have a turnover of between UGX 5million to UGX 100million," he said.

He noted that the recovery fund only targets businesses that have been in business by the time COVID 19 hit the country.

"Secondly, you must demonstrate how COVID 19 has affected your businesses and that's why we have been talking about things like book keeping, without books, you can't demonstrate how your business has been affected," said Walugembe.

He noted that for a business to be eligible, they must also demonstrate the kind of impact such as generation of jobs, taxes among others■

PRESS STATEMENT

Ministry of Finance, Planning and Economic Development

ON THE GOVERNMENT OF UGANDA INTERVENTION TO PROVIDE AFFORDABLE FINANCIAL SUPPORT TO SMALL BUSINESSES TO RECOVER FROM THE EFFECTS OF COVID-19

KAMPALA, November 23, 2021

1. Introduction

1.1. His Excellency the President of the Republic of Uganda; Gen. Yoweri Kaguta Museveni, on 30th July, 2021, during his address to the Nation on the status of Covid-19 in the country pronounced that Government shall establish a Micro Small and Medium Enterprises Fund to support businesses that have been affected by Covid-19.

1.2. The President therefore directed the Ministry of Finance, Planning and Economic Development together with Bank of Uganda to establish this Fund and inform the country on how to access it.

1.3. I hence therefore wish to inform my fellow Countrymen and Women, that Government has set up a Small Businesses Recovery Fund (SBRF) in partnership with Commercial Banks, Microfinance Deposit Taking Institutions (MDIs) and Credit Institutions across the country to provide affordable financial loans to businesses that have experienced hardships due to the measures undertaken to control the spread of Corona virus in the country.

1.4. The Fund will provide concessional financial loans to small businesses that have suffered financial distress arising from the effects of covid-19, and have potential for recovery.

1.5 Bank of Uganda shall administer the Small Businesses Recovery Fund on behalf of Government

2. FUND SIZE:

2.1. Government will provide an initial deposit of UGX. 100bn (Uganda Shillings One hundred billion only) for the Fund which shall be administered by Bank of Uganda for use by the eligible Participating Financial Institutions to extend loans to eligible small businesses.

2.2. The Participating Financial Institutions (PFIs) will match the Government contribution by UGX. 100bn (Uganda Shillings One hundred billion only) to form a consortium pool of UGX 200bn (Uganda Shillings two hundred billion only).

3. ELIGIBLE BUSINESSES

3.1. The Fund will be used primarily to provide financial loans to small businesses that have suffered financial distress arising from the effects of covid-19 pandemic and have potential for recovery.

3.2. All small businesses operated by individuals, groups, partnerships and companies, employing 5-49 people and with annual turnover of UGX 10 million- UGX 100 million are eligible under the Fund.

PRESS STATEMENT

3.3. A borrower/ group of related parties shall only access financing once under the Fund. They shall not be eligible for a top up.

3.4. Multiple borrowings through more than one PFI shall not be allowed.

3.5. All businesses or activities that are eligible under the Agricultural Credit Facility (ACF) and those that have already been financed under the ACF are not eligible for funding under this Fund as they are already catered for.

3.6. The maximum loan amount to a borrower under this intervention shall be UGX100 million (Uganda Shillings One hundred million only) and there is no minimum amount.

4. COST OF LOANS UNDER THE FUND

4.1. The Government component to the PFIs will be interest free so as to reduce their cost of funds since they will be lending at a subsidized interest rate

4.2. The interest rate chargeable by the PFIs shall not exceed 10% per annum on a reducing balance basis.

4.3. Facility fees charged by PFIs to eligible borrowers will not exceed 0.5% of the total loan amount and shall be a one-off charge.

4.4. Legal documentation, insurance fees and registration costs shall be borne by the borrower.

5. TENURE OF LOANS UNDER THE FUND

5.1. Loans to eligible borrowers will be extended for periods of a minimum of six (6) months and a maximum of four (4) years, which shall include a grace period of a maximum of one (1) year depending on the nature of the project as agreed upon by the borrower and the PFI.

6. SECURITY OF LOANS UNDER THE FUND

6.1. The loan facilities under the Fund will be secured by collateral of any form as agreed upon by the PFI and the borrower in accordance with PFI's lending policies.

7. CONCLUSION

7.1. As such, I wish to inform the general public that the Fund can be accessed from any financial institution supervised by Bank of Uganda.

7.2. Government is pleased to inform the general public that this Fund is for any eligible borrower under the terms specified above and no person should ask for favours to assist you access this Fund.

7.3. For further inquiries please contact the Ministry of Finance, Planning and Economic Development at: finance@finance.go.ug or Bank of Uganda at info@bou.or.ug

I thank you.

Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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INDUSTRIALISATION

Industrialisation key in driving socio-economic transformation,

says PS/ST Ggoobi

By MoFPED Comms Team

The Ministry of Finance Permanent Secretary/Secretary to the Treasury Ramathan Ggoobi has said the National Development Plan (NDP) III has identified industrialization (manufacturing) as one of the drivers of socio-economic transformation.

He said this during a visit to the Uganda Industrial Skills Training Centre, managed by Uganda Industrial Research Institute (UIRI) at Namanve Industrial and Business Park recently. The 15 acre campus which was built and equipped using $30m grant from China was commissioned by President Yoweri Museveni in January 2020.

The objectives of the project include developing a model machining and manufacturing facility that employs state of art technologies with focus on manufacturing precision machine parts and eventually machines.

Ggoobi said the manufacturing and training centre will help to train young people to acquire practical skills using modern technology. He applauded UIRI Executive Director Prof. Charles Kwesiga for clearly identifying manufacturing constraints which include technology and skilled human resource.

Prof. Kwesiga said the centre will help the country build its capacity and address the challenge of doing things theoretically, adding that appropriate technology will reduce external dependence.

PS/ST visits Uganda Industrial Skills Training Centre at Namanve

Kiira Motor Vehicle Plant in Jinja

"Industrialisation must be treated as a special effort, we need to critically look at industries we have in Uganda to see what they do. We need to make products that can be used for import substitution," he stated.

Meanwhile on October 26th, 2021 while inspecting progress of works on the construction of Kiira Vehicle Plant at Jinja Industrial Park, Ggoobi pledged support to Kiira Motors to achieve its dream of building a Motor vehicle industry in Uganda.

He said Finance Ministry is expediting the process to ensure that Kiira Motors Corporation receives sh77b Voted for FY 2021/22 towards construction of the plant startup facilities as well as the supplementary budget of sh141b which the President directed to provide within FY 2021/22.

"If you want to transform society, go for those things that do not conform to comparative advantage. Countries which want to transform must do whatever it takes to promote manufacturing," said Ggoobi.

Quoting the story of Toyota which the Japanese Government and other stakeholders had recommended for closure in 1950s on account of wasting Government money, Ggoobi said Industrial Policy has many naysayers than believers, adding that this can only be supported by Government until the break-event point.

"I commit that we shall continue supporting this project and many others. There's nobody with more capacity than the State to support such projects," he stated.

Prof. Sandy Stevens Tichodri- Togboa, the Executive Director KMC said full capitalization of Kiira Motors Corporation will operationalize Kiira vehicle plant and also enable establishment of automotive industrial and technology parks to support wide range of investments in motor vehicle and parts manufacturing as well as vehicle testing, automotive engineering, research, development and technology innovation.

Improving infrastructure in Business and Industrial Parks

Government took a decision to provide infrastructure in all the industrial parks including Namanve, Kapeeka, Mbale and MM Park in Buikwe. Effective FY 2022/23, Government has planned to provide funding to improve the internal roads, sewerage systems, drainage and power supply.

INDUSTRIALISATION

PS/ST & DST visiting NMS warehouse in Entebbe

PS/ST is visiting the parks to make an assessment of the required infrastructure developments in all these parks. He has so far visited Namanve and Kapeeka, and will soon visit MM Buikwe and Mbale Industrial parks.

He has also visited National Medical Stores (NMS) new warehouse under final phase of construction in Kajjansi and the current NMS warehouse in Entebbe to acquaint himself with the service delivery opportunities and challenges faced by NMS.

A look at the National Industrial Policy

The Government has been implementing the maiden National Industrial Policy (NIP) since 2008. The NIP was reviewed in 2017 and the key findings indicated that some progress was made in policy thrust areas such as institutional development, industry-facilitating infrastructure, and public-private partnership (PPP) enhancement.

However, the industrial sector is faced with continued challenges of low productivity and capacity utilization, insufficient supply of quality raw materials for value addition, low technology uptake and adoption, high cost of value addition, inadequate skilled human resources, and limited capacity to comply with standards and regulations for product quality, safety, and environmental protection.

This Policy focuses on consolidating the achievements attained and addressing the identified gaps, as well as emerging issues. The Policy identifies strategic value chains and interventions that will meaningfully contribute to employment creation, increase value addition to local raw materials, and promote import substitution and exports.

The Priority industrial value chains for investment include agro-based industries(Fruits, Coffee, Cotton, Textiles and Apparels, Tea, Cassava, Grains,Oil Seeds, Sugar Cane, Bananas, Dairy, Leather, and Leather Products), Extractive-based manufacturing industries (Iron and Steel, Oil and Gas (LPG), Synthetics, plastics, Petrochemicals, Salt, Cement, and Fertilizers), Knowledge-intensive industries: Pharmaceuticals, Automobiles, Electricals and Electronics, and Products Assembling.

The Vision of this Policy is to build a fully integrated, competitive, high value and productive industrial sector. The Mission of the Policy is to accelerate sustainable industrial transformation through an increased developmental role of the state, reduced cost of production, and improved quality of manufactured products.

The Policy goal is 'increasing the manufacturing value-added as a percentage of GDP from 8.3% in 2018/19 to 16% by 2029/30'. The NIP has been designed to foster growth of the industrial sector anchored on inspiring structural transformation with a principle focus on four result areas, namely:

i. Increased value addition to local raw materials and products with comparative advantage for socio-economic transformation.

ii. Increased exports of manufactured products by facilitating industries to increase production and match market demands in terms of both quality and quantity.

iii. Increased employment in the industrial sector through establishment and promotion of industries that create large-scale employment opportunities, ensuring inclusive growth and sustainable development.

iv. Increased adoption of environmentally sustainable technologies by manufacturing sub-sectors.

What NIP seeks to achieve

The specific objectives of the NIP are to increase public investment and nurturing of industrial development projects in strategic areas, increase and sustain the supply of quality raw materials for value addition, develop and strengthen skilled human resource in order to increase productivity and efficiency in the sector.

Other objectives include acceleration of development and use of research innovations and adoption of appropriate technologies in industry, promotion of resource-efficient and environmentally sustainable industrialization.

The Policy is driven by a firm commitment to Industrialization by Government; potential benefit from global and regional value chains as a result of favorable labour markets; increased access to bilateral, regional, continental, and global markets; and abundant raw materials.

The expected outcomes to be realized over the ten-year period of implementation are increased industry sector contribution to GDP from 27.1% in 2018/19 to 31.7% in 2029/30, increased contribution of manufacturing to GDP from 15.4% in 2018/19 to 26% in 2029/30 and increased ratio of manufactured products exported to total exports from 22.5% in 2018/19 to 46.8% by 2029/30. ■

Kapeeka Industrial Park

Industrialisation Drive: **Uganda makes proposals to review the EAC Common External Tariff**

By Anthony Maraka

Introduction

The Partner States re-established the East African Community in year 2000, with the coming into force of the East African Community (EAC) Treaty. The treaty provided for the establishment of a Customs Union (CU).

A Customs Union is the second stage in the regional integration process after a Free Trade Area (FTA). The key difference is that in a Customs Union, members eliminate import duties on goods amongst themselves and in addition, develop a common external tariff (CET) for goods imported from outside the Customs Union.

Article 12 of the Protocol establishing the EAC Customs Union provides for the Common External Tariff (CET) as one of the pillars of the Customs Union.

The CET was negotiated and agreed in 2004 as part of the harmonisation of import duties across the EAC. Harmonisation excluded domestic taxes such as VAT, Excise duty, and income tax etc. However,regional discussions on harmonisation of domestic taxes are on-going.

The CET was designed to provide a stable, transparent and predictable trade regime, in order to enhanceproduction, attract investment and create a uniform trade policy in the EAC.

The principles for the design of the CET were simplicity and transparency, hence a CET with three bands. Namely:

- A minimum rate of 0% duty levied on imports of raw materials, capital goods e.g.plant and machinery.
- A middle rate of 10% duty charged on imports of intermediate goods for further processing.
- A maximum rate of 25% levied on imports of finished goods ready for consumption.

Schedule 2 of the EAC CET also provides for higher rates of duty, ranging from 35%-100% for goods deemed sensitive for the Community. These are mostly agricultural goods such as milk and milk products, maize, sugar etc.

Rules of origin were also introduced. Rules of origin determine the nationality of goods for purposes of ascertaining if goods qualify for preferential treatment.

Further, the Community enacted the EAC Customs Management Act for the management of Customs and provided for goods exempt from import duty under Schedule 5 of the Act e.g. goods for use by the Presidents, armed forces etc.

The Comprehensive Review of the CET

The Customs Union Protocol provides for a periodic review of the CET by the Council of Ministers.The first review of the CET, was undertaken in 2011. The Partner States agreed to maintain the current three band structure of the CET.

Since that first review, there have been a number of challenges encountered in the implementation of the CET. These include, but are not limited to:

Stays of Application (SOAs).

A request for a stay of application is a situation where a Partner State requests the Council, to apply a different rate on an imported good instead of the official CET. The stay can either be above the official CET or below it. Stays of Application have had a negative impact on intra-regional trade since goods benefitting from these stays, have to pay duties if the goods are traded regionally. This defeats the principle of duty-free trade within the customs union.

Partner States undertaking unilateral policies with adverse impacts on the CET. For instance, a country unilaterally banning the imports of goods from other Partner States, and border closures etc.

Moreover, there are currently no sanctions on such distortionary behaviour. The cardinal principle of consensus is at the heart of the Community.

Persistence of non-tariff measures and barriers. Whereas the protocol in Article 13 provides for the immediate elimination of non–tariff barriers, Partner States keep introducing new barriers.

Inadequate institutional and regulatory frameworks at regional level to support the implementation of the CET. There is no regional mechanism to require compliance with the CET.

Multiple memberships of the Partner States in different blocs. Some Partner States are in SADC, while others are in COMESA. Thelikelihood that goods that are not East African benefit from duty-free trade is high. However, this challenge will be eliminated with the coming into force of the African Continental Free Trade Area and the Tripartite Free Trade Area, (an amalgamation of EAC, COMESA and SADC). External factors – Globalisation and increased trade protectionism around the world.

Accordingly, the Community resolved to comprehensively review the CET and update it to suit current times. The review process began in 2016 after the Directive of the Council.

The EAC Secretariat was also instructed to facilitate the formation of National Task Forces and National Steering Committees for this purpose. The National Taskforces would then constitute the Regional Task Force on the comprehensive review of the CET.

Uganda formed a multi-sectoral National Task Force (NTF)to comprehensively review the CET. The task force is composed of various Government Ministries, Departments and Agencies, private sector bodies (UMA and PSFU), civil society and research bodies (EPRC), among others.

The National Steering Committee (NSC) on the EAC CET Comprehensive Review is composed of Permanent Secretaries, heads of other government agencies such as URA,

UIA, and the heads of private sector bodies such as UMA and PSFU. The NSC reports to a sub-committee of Cabinet consisting of the Ministers responsible for Trade and Industry, Finance, and East African Community Affairs.

The NTF held several consultative meetings to formulate principles to underpin Uganda's negotiating position. The proposals for the criteria of the CET were informed by several studies. These include studies undertaken by a consultant contracted by the Ministry and studies undertaken by other organisations such as Economic Policy Research Centre (EPRC), International Growth Centre (IGC), UMA, East African Business Council(EABC), EAC Secretariat, among others.

In addition to thecited studies, the NTF also considered the following:

a) Best practices under the World Trade Organization (WTO) and the World Customs Organization (WCO), including the latest nomenclature adopted at the WCO. The EAC uses the international harmonised commodity description and coding system for goods. Under the WTO agreements to which are party, Partner States cannot increase tariffs beyond what was committed at the WTO.

b) Regional integration programmes under the Tripartiteand the African Continental FTAs. Since negotiations are on-going under these frameworks, commitments made must be considered. For instance, most tariff increases will not apply to goods originating from Africa, since 90% of trade will be immediately liberalised under these initiatives.

c) Consumer welfare. Higher tariffs generally negatively impact consumer welfare. Thus, tariffs are not to be increased on all goods but a few goods where there is potential for import substitution and value addition, in line with our industrialisation agenda.

d) The NTF also considered regional priority industries under the EAC Industrial and Investment policy.Key industries for development in the Policy include the cotton, textile and apparel sector, iron and steel, motor vehicles etc. These sectors were proposed to attract higher duties for competing imported goods to protect infant industries and lower taxes for inputs used in manufacturing.

INDUSTRIALISATION

The NSC recommended proposals on the structure and principles to guide negotiations, to a sub-committee of Cabinet consisting of the Ministers responsible for Trade and Industry, Finance,and East African Community Affairs, which were approved and formed the basis for Uganda's negotiating position.

The technical negotiating team of the National Taskforce is led by the Commissioner of tax policy, supported by technical officials from Ministry of Trade, Industry and Cooperatives, Ministry of East African Community Affairs, Uganda Revenue Authority and Uganda Manufacturers Association.

Uganda's proposals on the CET review

The Industrialisation drive was at the core of Uganda's proposals. The CET is a policy tool that can be used to incentivize manufacturing and industry, to spur investment, value addition and job creation. However, the CET must be used in tandem with other policies to encourage investment and industrialisation. The need to increase revenue collections and promote consumer welfare were also considered at length.

The NTF proposed a five-band tariff structure. Namely:

a) 0% duty to be levied on raw materials, social welfare goods (medicines) and capital goods.

b) 10% and 15% for intermediate inputs for further processing, with 15% proposed to be levied on imported inputs that can be sourced in Uganda.
c) 25% duty to be imposed on finished goods ready for consumption that are not readily available in the EAC region.

d) 35% duty on competing imported finished goods to protect infant industries and raise tax revenue. 35% was agreed upon after lengthy discussions with the private sector represented by UMA and PSFU. They argued that 25% was inadequate protection from imported goods especially from China and India, whose producers benefit from substantial government support such as subsidies, and cheap credit etc.

e) Reduce tariffs to 35% for products where Uganda requested for stays of application above 25%, as listed in the EAC Gazette.

They also agreed to maintain the current level of protection for sensitive products with tariffs above 35%.

Status of regional negotiations

Thus far, the Partner States have agreed to a four-band tariff structure. Namely:

a) A rate of 0% duty to be levied on imports of raw materials, capital goods and goods for social development.
b) A rate of 10% duty to be charged on imports of intermediate goods (inputs) for further processing.
c) A rate of 25% to be levied on imports of finished goods that are not readily available in the EAC.
d) A rate above 25% for finished goods that are readily available in the EAC or where we are building capacity to produce, such as iron and steel products, and apparel etc.
The Partner States also agreed to maintain the list of sensitive products which attract duties above 35%.

Whereas the Partner States have agreed to a four-band tariff structure, there is no consensus on the rate above 25%, with three competing rates proposed. That is, 30%, 33% and 35%.

Rwanda and Burundi proposed 30%, Kenya 33% (although it was previously at 30%), Uganda is at 35%, whereas Tanzania moved to 30% from 35% during the just concluded meeting of Permanent Secretaries held from 2nd to 5th November 2021.

There is consensus on the rates of duty for about 5,300 products, mostly to attract duties at 0%, 10%,and 25%.There is no agreement on approximately 325 products mainly in the textile and steel sectors.These are mainly Ugandan proposals, developed after extensive consultations with manufacturers.

Conclusion

The comprehensive review of the CET has been ongoing since 2016. Whereas consensus has been achieved on the rate of duty to be imposed on most goods there is lack of consensus on some goods in the textile, iron and steel sectors.

During themeeting of Permanent Secretaries held from 2nd to 5th November 2021, the Permanent Secretaries failed to resolve the outstanding issues and agreed to forward the matter to the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) for resolution.

An extra-ordinary meeting of SCTIFI has been scheduled for February 2022 to resolve all outstanding matters.

The Writer is an Economist in the Tax Policy Department

FIELD VISIT

Finance Minister Kasaija Visits Kanungu

By MoFPED Comms Team and Agencies

The Minister of Finance, Planning and Economic Development Matia Kasaija visited Kanungu district for two days at the invitation of the Area members of Parliament and District leadership to share their successes in the implementation of government programmes especially Tea value chain development.

He was accompanied by Kinkizi East Member of Parliament Dr Chris Baryomunsi who is also the Minister for ICT and National Guidance, Kinkizi West MP Hon James Kaberuka, Hon Patience Nkunda the Woman Member of Parliament for Kanungu district and Hon Joy Wako the national female MP for elderly.

He visited the 246 acres tea estate for Makiro parish that employs over 150 workers on a daily basis.

Fr. Adrain Byomuhangi of Makiro parish praised the government for supporting the church with seedlings which has brought stable income to the church.

"We no longer rely on Sunday collection, with this project we harvest money every day which sustains our priests on top of giving jobs to our people," he said.

Minister Kasaija also toured tourism roads in Kanungu which are to be tarmacked including Kanung-Kisiizi-Rubare road.

The other tourism roads to be upgraded from murram to tarmac include; Hamurwa-Kanungu road, Kanyantorogo- Butogota-Bwindi road, Kisiizi Nyakishenyi Rugyeyo road and Kayonza-Mpungu to Kisoro road.

The Finance Minister reiterated government's commitment to improve the road infrastructure that can spur income generation among the rural communities.

He also visited several tea factories at Mpungu and Kayonza, Rwanja poultry farm owned by district chairperson, Eng. Sam Arinaitwe Kajojo,Tea factories under construction and Bwindi Impenetrable national park buffer zone.

Rwanja farm has 20,000 hens, 300 pigs, 30 acres of coffee, 20 zero grazing cows, 10 acres of banana plantation and also employs over 100 skilled and non-skilled labourers on a daily basis.

Minister pledged a low interest loan to Sam Arinaitwe to expand the project to at least 50,000 birds so that he could cope with current demand for eggs.

"We are getting 600 to 800 trays of eggs on a daily basis and our market now demands over 1500 trays daily which we cannot meet," Kajojo said.

He said they sell eggs mainly in Kisoro, Kanungu and Democratic Republic of Congo.

Tea seedlings

The district chairperson, Sam Kajojo requested for more tea seedlings to fill the gaps in farms where there is a space and also to plant in a 127 km buffer zone.

"When President Yoweri Museveni triggered the expansion of tea growing in Kanungu in 2008, farmers planted more 113,397,424 tea seedlings and income to farmers grew from shs 8bn (green leaf) annually to shs 54bn an-

Finance Minister arrives in Kanungu

nually today," he said.

In his projections, 80m seedlings if supplied at a cost shs32bn can increase the income of green leaf from the current shs54bn to around shs85bn in ten years.

Minister Kasaija said he will work with NAADS to facilitate supply of the required tea seedlings in three financial years beginning 2022/23 financial year.

"I know we still have a debt with those who supplied tea seedlings in the previous years, we hope to pay them next financial year before we commit ourselves again to supplying more seedlings," he said.

Kayonza tea factory

Gregory Mugabe the Chairperson board of trustees, Kayonza tea factory, said the capacity of taking all green leaves from farmers has been limited as many farmers have ventured in tea growing which he said was a reason to plan for a second factory in Mpungu which will be complete in April next year.

"Majority of our farmers' green tea has been decaying here because our factory has been overwhelmed which puts our farmers at a loss of green tea. We got a loan of $4million to have another factory at Mpungu which is half way constructed," he said.

He said presently they receive only 2000 kg of green tea daily from farmers and they project to double the quantities of the green tea they receive once the factory is completed.

The management at both factories decried the high cost of production due to rampant electricity load shedding which has forced them to use generators which makes it expensive.

"The electricity here is always available less than half a month which has put the businesses at a loss due to high prices of fuel because our factories work 24 hours including weekends," said James Musinguzi of Kinkiizi development agency who has three tea factories in Rugyeyo, Mpungu, and Butogota town council.

They also raised the issue of poorly maintained roads which increases cost of collection of fresh tea leaves from farmers.

Hon Kasaija appreciated what was being done in Kanungu and pledged support to ensure that the infrastructure especially roads are worked on to enable farmers access markets for their produce to improve their livelihoods.

Minister of ICT and National Guidance Hon

Finance Minister Kasaija receiving watermelon from farmer

Finance Minister visits tea factories in Kanungu

Dr Chris Baryomunsi thanked the Minister of Finance for accepting to visit Kanungu District to acquaint himself with the situation so that he can use his office to ensure that the issues are handled at the national level.

Kinkizi West Member of Parliament, James Kaberuka who spoke on behalf of the rest of the Members of Parliament said that Kanungu District will not remain the same since the Minister of Finance himself has seen what needs to be worked upon.

The District Chairman Sam Arinaitwe Kajojo praised the government for tarmacking the 78km road from Kanungu to Rukungiri which he said was half way complete and will promote business in Kanungu and Democratic Republic of Congo.

Minister Kasaija said that he had taken note of all the concerns raised by the district leadership and thanked them for speaking in unison to ensure that the peoples' welfare is improved.

Visit to Kambuga hospital

The Finance Minister also visited the hospital and assured Kanungu District Leadership that the government has already put aside funds for the rehabilitation of Kambuga Hospital in Kambuga Town Council Kanungu district so that it can serve well the people of Kanungu, Rukungiri and other surrounding areas.

He was received and guided on a tour of the hospital by the Hospital Management Committee led by Caleb Kipande and the hospital Superintendent Dr. Daniel Kasudha.

"For the short term, we shall rehabilitate the whole hospital including staff quarters meanwhile waiting for the program of expanding it to the level of regional referral hospital," said the Minister.

> **"I know we still have a debt with those who supplied tea seedlings in the previous years, we hope to pay them next financial year before we commit ourselves again to supplying more seedlings," he said.**

COMPETITIVENESS

Highlights from the 12th Private Sector Competitiveness Forum

By MoFPED Comms Team

The Ministry of Finance, Planning and Economic Development engages with stakeholders on an annual basis through the Public-Private engagements aimed at communicating the national economic development agenda, feeding into the annual budget process.

The National Competitiveness Forum (NCF) provides a platform for dialogue between the public and private sectors with a view to enhance the country's competitiveness.

This year's forum, the 12th in series was held under the theme: ***"Business Unusual: The State of Competitiveness and Private Sector Performance in Uganda during the times of Covid19"*** and it focused on Competitiveness and Private sector performance in Uganda, drawing lessons from global best practices, relating with local realities in the different sub-regions to provide basis for the implementation of the Parish Development Model (PDM).

Hon. Anite at the closing of the 12th National Competitive Forum at kampala serena hotel

According to the Global Competitiveness index,Uganda scored 48.94 points out of 100 in 2019, an improvement of 2.14 points from the 2018 position mainly driven by stable macroeconomic environment.

The Ease of Doing Business Index which measures aspects of business regulation and related costs affecting small and medium-size domestic firms in the country's largest business city ranked Uganda 116 out of 190 economies, an improvement of 11 places from the rank of 127 in 2018.

The forum was opened by Finance Minister Matia Kasaija who was represented by Minister of State for General Duties Henry Musasizi.

The Minister said over the past thirty years, the Government of Uganda has adopted a Private Sector-led approach in its economic policy and management, which places the Private Sector at the heart of Uganda's strategies for economic growth and development.

He said the role of the Public sector is to provide an enabling business environment through initiatives that include: implementing evidence-based policies; improving existing infrastructure and ensuring continuous regulatory reform.

"Government initiatives at this level are geared towards eradicating poverty and increasing income growth by modernizing agriculture, expanding and increasing exports, building a robust industrial base and, ultimately, transforming the structure of the economy in a sustainable manner," said the Minister.

During the 11th forum, some of the challenges identified included: Public Sector bureaucracies; inefficiencies and delays in public service delivery; weak institutional coordination; lack of supportive infrastructure such as roads, railway, ICT and power and delays

Hon. Musasizi and PS/ST at the 12th National Competitive Forum at kampala serena hotel

in passing enabling laws and policies for private sector development.

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi in his remarks emphasized that the Ministry will continue to develop Strategies to harness private sector potential for equitable jobs creation and income distribution, adding that through implementation of the Parish Development Model (PDM), government is committed to transition the large number of households in the subsistence economy into the monetized economy.

"It is also important to note that our development agenda is largely premised on industrialization, employment and wealth creation. Private Sector competiveness is the medium for job creation and contributes increasingly to more efficiencies in public service delivery," said PS/ST adding that the forum will generate practical ideas to catalyse economic growth and recovery.

He particularly challenged the forum to come up strategies to address the challenge of informal economy.

Forum sessions included:lessons from the evaluation of the National Strategy for Private Sector Development (NSPSD – 2017/18 – 2021/22) and way forward,the State of the Private Sector at the Subnational level with emerging opportunities and way forward,the Impact of the informal sector and competitiveness; Challenges and opportunities as well as Digitalization and Competitiveness; Implications for e-commerce and public service delivery.

The forum was closed by the Minister of State for Investment and Privatization Evelyn Anite who called for fast tracking the implementation of the agreed policies on market access to East African Community and COMESA markets.

She also said the Competition Bill which is still pending should be fast tracked to ensure that the competition policy is in place, adding that the cost of money is being addressed by recapitalization of Uganda Development Bank.

"We thank President Museveni for the good leadership, and because of him, Uganda is a great nation with peace, security, profitability and is a pleasant country. I will closely work with you to ensure that our private sector becomes competitive," said Anite.

She also said the cost of power is being addressed by government to ensure that industrialists access it at USD 5 cents.

Participants at the 12th National Competitive Forum

Key issues and recommendations at the 12th National Competitive Forum

Key Issues	Recommended Actions
Budget related issues	
1. High cost of doing business (Electricity, fuel, water, transport, internet)	-Fast track the implementation of priority power, water, transport infrastructural projects.
2. High cost of capital , limited credit access and short term business financing	Engage all stakeholders in the budgeting and planning processes.
3. Insufficient action-based policy research for promotion of private sector development	Coordinate through MOUs government and universities/research organizations to conduct research and development to inform policy.
4. Corruption, bureaucratic and uncoordinated public services and limited use of ICT (URA, URSB, UNBS, KCCA, UIA)	-Improve public service delivery through Digitalization or E-government -Fast track implementation of the one stop centre at Uganda Building Facility Centre (UBFC)
5. Low household incomes and aggregate demand	-Invest in promotion of domestic investments and promote production at household levels.
6.Domestic arrears	Consider clearance of domestic arrears in the budgetary processes
NSPSD II issues	
7. Weak private sector with uncoordinated mechanisms and frameworks	-Streamline governance and enhance structures of private sector business associations
8. Inadequate export promotion strategies (only 17% of GDP from exports)	Prioritize standards and adapt digital-based marketing (E-commerce)
9. Private sector regulatory gaps (slow implementation of BUBU and Local content)	Fast track the implementation of Local content policy and BUBU
10. Informality and hesitance to regularize business operations.	-Promote strong Business Development services. -Increase private sector education to change the mindsets of SMEs and appreciate the benefits of formalizing

LOCAL CONTENT

How Government intends to increase Local Content participation

By MoFPED Comms Team

Increasing Local Content participation is one of the development strategies Government is pursuing in implementation of the National Development Plan III.

Government is determined to support the private sector to become more competitive and resilient, particularly the SMEs. During the NDP III period, Local Content will be supported through the following approaches:

a) Promote local manufacturing: Government is undertaking a two pronged approach to promote local participation in manufacturing: i) Promoting import substitution or replacement; and ii) export promotion.

Majority of Uganda's exports are semi-processed commodities such as Coffee, Gold, Cotton, and Tea - with no or limited value addition. Meanwhile, the main imports are easily replaceable. For instance, in August 2021, the main imports were machinery equipment, vehicles & accessories; petroleum products; chemical & related products; base metals & their products; vegetable products; animal, beverages, fats & oil.

These imports are easily replaceable by sufficiently utilizing the country's natural endowments. To this end, Government has prioritised petroleum & petroleum products; iron & steel; medical & pharmaceutical products; cereals; plastics; vegetable fat & oils; textile; salt; fertilizers; sugars & sugar preparations and three services i.e. transport; construction and medical – to drive local participation of SMEs in manufacturing.

b) The Presidential directive to use the UPDF Engineering Brigade to construct schools, health centres and service Industrial Parks will lower the cost of service delivery and complement the

Majority of Uganda's exports are semi-processed commodities such as Coffee, Gold, Cotton, and Tea - with no or limited value addition

industrialisation drive.

c) Government, in partnership with the private sector, is set to undertake major projects during the NDP III. The private sector will play a critical role in delivering projects such as road networks connecting cities, standard and meter gauge railways, oil and gas pipeline, and iron and steel development.

This mechanism is also supported by the Industrialisation Strategy under the NDP III that is inclined towards diversification of local manufacturing, supporting the private sector competitiveness and increasing the amount of manufactured goods in the process.

d) Supporting Policy, Legal and Regulatory Frameworks: The 2018 National Content Policy for the petroleum subsector is geared towards increasing participation of Ugandans in the oil and gas activities, as well as building their prospects for employment.

In the same spirit, the Buy Uganda Build Uganda Policy, and the Public Procurement and Disposal of Public Assets (PPDA) Act have provided a platform to use Special Preference Schemes and investments in supplier development programmes. For instance, the Standard Gauge Railway project has designed a Local Content Strategy where at least 40% of the value of works is spent locally and 9 out of 10 employees will be Ugandans.

e) Parliament is also expected to review the National Local Content Bill, and will consider a cross-section of concerns raised by H. E. the President when the Bill was forwarded to him for assent. The President, for instance, cited provisions in section 4 of the Bill as some of the provisions for review, to ensure that it would not put Uganda on a parallel course with the international community.

Training of professional welders at UPIK

Bahai Temple

The Bahai Temple in Uganda is the first and only Bahai Temple on the African Continent and one of the 9 Bahai faith temples in the world.

ECONOMIC SUMMIT

Highlights from the Annual MOFPED-NTV Economic Summit

By MoFPED Comms Team

The 5th Annual MOFPED-NTV Economic Summit 2021 was held on the 16th December 2021 at the Kampala Serena Hotel under the theme "Securing Socio-economic Transformation Amidst Covid19: Strategies to accelerate both Recovery and Growth"

The Permanent Secretary/Secretary to the Treasury, Ramathan Ggoobi in his keynote address emphasised that this term 2021-2016 as declared by H.E President Yoweri Museveni is a kisanja for socio-economic transformation, meaning resources and efforts will be focussed on creating wealth, jobs and incomes particularly for the 39% of Ugandans in subsistence economy.

"We have designed the budget strategy for next financial year (2022/23) to kick-start this transformative agenda," said PS/ST.

He said the budget strategy for next financial year and the medium term is based mainly on achieving three objectives, namely;

I. Mitigation of Covid-19 impact on business activity as well as livelihoods by ensuring wide spread vaccination of Ugandans to enable fully reopening of the economy and financial support to businesses.

II. Speeding up socio-economic transformation by mainly prioritising the budget and redirecting resources towards wealth and job creation, industrialisation, export promotion and other areas of high return on investment.

III. Sustaining financial security and macroeconomic stability as key fundamentals for economic recovery, growth as well as transformation.

As a result of the Covid-19 pandemic, Ggoobi noted that Uganda lost over 3 percentage points of GDP growth per annum for the past two years despite the unbelievable resilience the economy has shown.

This notwithstanding, our economy grew by 3% in 2019/ 20 and it was among the few economies in the world that registered positive growth in 2020 and grew at 3.4% during FY 2020/21.

Priority areas of Investment

For the next FY, PS/ST said government is going to invest more in stimulus packages and payment of domestic arrears, agro-industrialization, light manufacturing and industrial park infrastructure, digitization and scientific innovations, market entry in UAE, EU and AfCFTA, commercialization of oil and gas, restoration of tourism and hospitality sector and deepening financial inclusion.

Financing Strategy

To finance the budget, Ggoobi said his ministry is going to restore fiscal discipline and also make the budget redistributive by promising in the plans what can be paid for in the budget, adding that the country must learn to live within its means because the budget is going to be less accommodative. "Supplementary budgets are going to be only for emergencies and unforeseen expenditures," said PS/ST.

Financing the Budget

PS/ST Ggoobi said government is going to implement practical actions under the Domestic revenue mobilization strategy to generate more revenue and reduce the share of the budget financed through borrowing. "We are going to enforce compliance instead of introducing new taxes and enhance management of public debt in line with the new charter for Fiscal Responsibility to ensure that our national debt remains sustainable," he said.

What other Stakeholders say

Mathias Katamba, Chief Executive Officer, DFCU Bank said banks like other private sector businesses were not immune to the impacts of Covid-19 pandemic, adding that they are also in recovery mode.

He said the positive side of Covid-19 was enhanced investment in technology which comes along with associated cyber security risks.

The Vice-chairperson Private Sector Foundation Uganda Victoria Sekitoleko called for review of the education system to mainstream skilling in order to produce the required human resource to suit the job market.

She also said there is need to reduce the cost of data to promote digitization and toeliminate unnecessary supplementary budgets through proper planning and budgeting.

Prof. Samuel Sejjaaka said the education sector which is very key for the economy was greatly devastated by Covid-19 and special attention is required to revamp the sector which was already underfunded with weak management structures.

Bradford Ochieng, the Deputy Executive Director Uganda Tourism Board said the country must invest in marketing and rebranding to make Uganda more competitive and sustainable tourism destination■

Panelists at 5th MOFPED-NTV ECONOMIC SUMMIT

IRCU

IRCU Council Of Presidents Visit MOFPED

The Inter-Religious Council of Uganda Presidents led by their Chairperson who is the Archbishop of the Church of Uganda, His Grace, Samuel Stephen Kaziimba recently visited MoFPED and renewed their commitment to work with government in building a secure, stable and peaceful nation.

During their visit, they prayed for the Permanent Secretary/Secretary to the Treasury Ramathan Ggoobi to excel in his role at the Ministry.

Other IRCU Council Co-Presidents present were His Eminence Sheikh Shaban Ramathan, the Grand Mufti of Uganda and Apostle Dr.Joseph Serwadda, President Born Again Faith in Uganda. The Vicar General Kampala Archdiocese Msgr. Charles Kasibante represented the Catholic Church and they were accompanied by their Secretary General Joshua Kitakule and other Clergy.

Their discussions focused on improving service delivery especially in education and health.

"Citizens are demanding for accountability. How can we as religious leaders work with government to improve service delivery? asked Kaziimba.

The Mufti, Ramathan Mubajje said they were equally concerned about the wellbeing of Ugandans. He said issues of land tenure must be addressed to get rid of the rampant land conflicts and evictions.

Dr. Serwadda said the church was ready to use their structures to moblise the people to embrace government programs including vaccination against COVID-19.

Msgr.Kasibante prayed for the economy to recover but decried the rampant corruption which he said was eating away the heart of our country.

The PS/ST Ramathan Ggoobi expressed gratitude for the gesture by the religious leaders to visit the Ministry and bless him.

Ggoobi welcomed the role of faith based institutions in shaping the destiny of our country, with people of integrity.

"Values are the bedrock of any achievement and some countries are successful because of values. Once you have integrity and you translate it into reliability and credibility, everything falls in place," said Ggoobi.

He said service delivery was on top of his agenda, adding that accountability with results and not paper accountability will be sacred during his regime.

Ggoobi said whereas government has been focused on investing in critical infrastructure development for some time, improving the incomes of the people is now a priority, adding that religious institutions have a big role to play in realizing the socio-economic agenda of the country.

The meeting was also attended by Dr Patrick Birungi the Executive Director Uganda Development Corporation and Under Secretary and Accounting Officer, Ministry of Finance Dr.Sengonzi Damulira.

> **"Citizens are demanding for accountability. How can we as religious leaders work with government to improve service delivery? asked Kaziimba**

Finance Minister Kasaija visits Yumbe mango processing factory

By MoFPED Comms Team

Finance Minister Matia Kasaija has inspected progress of construction works at the Yumbe Mango processing factory in Yumbe District, where he called upon the leaders and farmers to harmoniously work with other Partners to ensure that the project is fully operationalised in the short term.

Government through NAADS is finalising civil works, procurement and installation of the factory equipment.

Kasaija who was accompanied by the Minister of State for Defence in charge of Veteran Affairs, Huda Abason Oleru said the people of Yumbe should know that this factory is owned by Government, Scientists and the Farmers, adding leaders should at this point encourage farmers to establish kagogwa mango gardens to be able to effectively supply the factory with the required raw materials.

"You should be charged and angry to move things in the right direction. We should leave here when we are resolute to ensure that this work is completed," said the Finance Minister.

The Director and Project Manager, Prof. William Kyamuhangire, a Scientist from Makerere University Department of Food Science and Technology said the project which began in 2013 in the laboratory was aimed at addressing industrialisation in the agriculture sector.

He said suitability analysis of the fruits found that the pulp yield was as high as 50% and the threads were less even 4%, with desirable sugar content and appetising flavour.

"This experience has taught us that working between scientists, government and the local people is a new concept that government can take up to increase production in the country," said Prof Kyamuhangire.

Yumbe District Chairman Asiku Abdu Mutalib thanked President Museveni for fulfilling the pledge of the fruit factory, adding that they mobilising farmers to prepare them to deliver the required mangos to the factory once it becomes operational.

The factory with capacity to produce 70 metric tonnes of juice daily from 140 metric tonnes of mangoes is expected to become operational before June 2022 and the targeted market for the pulp include Coca-Cola,Britania and Riham, processors of fresh juice in the country.■

This experience has taught us that working between scientists, government and the local people is a new concept that government can take up to increase production in the country

Finance Minister inspecting Yumbe mango processing plant

APRM Uganda's National Program of Action on steady progress-Lugoloobi

By MoFPED Comms Team

Uganda's National Program of Action on the implementation of the African Peer Review Mechanism (APRM) is on steady progress, according to Hon. Amos Lugoloobi, the Minister of State for Finance, Planning and Economic Development (Planning) and the APRM Focal Point.

The APRM Focal Minister provides overall guidance to the APRM National Guidance Council (NGC).

APRM, is an Africa-owned and Africa-led self-assessment initiative, which promotes good governance and socio-economic development.

It was launched in 2003 as a voluntary instrument and Uganda was one of the pioneer countries that acceded to the APRM.

The APRM's primary purpose is fostering practices that lead to political stability, high economic growth, sustainable and inclusive development, as well as accelerated regional and continental integration.

Currently, the APRM has been adopted by 36 African Union Member States, with Uganda inclusive.

Participating countries go through detailed review processes (including consultations with government, the private sector, civil society and other stakeholders), culminating in a peer review exercise at the level of Heads of State and Government.

The review covers four thematic areas, including: democracy and political governance, economic management and governance, corporate governance and socio-economic development.

The National Governing Council (NGC) manages the APRM process in Uganda.

During the presentation of the 2nd Annual Progress Report on Implementation of the African Peer Review Mechanism (APRM) National Programme of Action at Kampala Serena Hotel on October 21, Lugoloobi said that Uganda had registered tremendous progress in different areas.

"In areas like infrastructures, government has prioritized and invested in the development of modern roads which in turn ease the movement of agriculture products hence lifting the livelihoods of farmers in villages," he said.

"A key feature of the APRM is that it is home grown. This, as well as its voluntary nature, are important in improving and consolidating Africa's ownership of its development agenda," Lugoloobi said.

APRM process

Through the peer review process member States start by assessing performance of their own governments following a standardized criterion. Hon. Lugoloobi said that they prepare reports which a special team from the Continental APRM Secretariat verifies and validates by making independent consultations from stakeholders who contributed ideas towards formulation of the report and this is what is known as the peer review process.

A number of major stakeholders are consulted in process of reviewing the performance of Government, including: Parliament; Ministries; Departments and Agencies (MDAs); Special groups like, women, youth and the disabled; religious institutions; cultural institutions; civil society; workers; private sector, and academia among others. After this review, the report is then presented by His Excellency the President at the African Union (AU) Summit for candid discussions and way forward," he said.

APRM identifies deficiencies in governance and socio-economic development within Member States that need to be rectified, adding that successful stories or experiences are then shared. It promotes adherence to norms, standards and codes that are embedded within the Declaration on Democratic, Political, Economic, and Corporate Governance adopted on 9th March 2003 in Abuja Nigeria.

Achievements

Hon. Lugoloobi highlighted some of the achievements Uganda has registered in implementing the APRM between 2019 and June 2021 in areas of; democracy and political governance, economic management and governance, corporate governance and socio-economic development.

Minister of State for Planning Hon. Amos Lugoloobi

Democracy and Political governance

These among others included a review of Public Order Management Act, establishment of a Civic Education Initiative, Strengthened Governance of Political Parties, resolving of existing border disputes between Uganda, Kenya, South Sudan, Tanzania and DRC using existing bilateral, regional and AU border dispute resolution mechanisms and Strengthening of the performance management in Public Service.

Others include; review the decentralization policy to strengthen local governments, the zero-tolerance to corruption policy 2019, Government roll out of declarations of public servants' income, assets and liabilities to the Inspector General of Government (IGG), and review and repeal of discriminatory clauses against women in legislation, particularly the Land Act, the Registration of Titles Act, the Micro-Deposit-Taking Institutions Act, and the Marriage Act.

Economic Empowerment

In economic empowerment, Lugoloobi said that government has maintained macroeconomic stability as a result of prudent macroeconomic management adding that Coffee exports remain resilient even in the face of the disruptions brought about by the global pandemic COVID-19.

He noted that government has also shown greater commitment to further strengthen public finance management and enforcement of compliance and gradually increased capitalization to Uganda Development Bank (UDB) and also doubled its effort in the wake of COVID-19 pandemic to support private enterprises to get access to affordable finance.

For the period under review, the government has continued to implement current reforms to ensure a fair and equitable allocation formulae of resources to sectors and LGs. Government started implementation of the Uganda Inter-governmental Fiscal Transfer (UgiFT) Program in financial year 2015/16.

Corporate Governance

The Minister said Uganda is taking deliberate steps to improve corporate governance in the country adding that the country has over the years improved its global ranking in the ease of doing business from 127th to 166th out of 190 countries in 2018 and also made impressive advancements in online services provision despite having middle and low levels of infrastructure development.

Lugoloobi noted that Uganda has also put in place a national dialogue framework premised on the need to create an opportunity for all Ugandans citizens to address the root causes of conflict, instability and injustice, adding that the foundations for sustainable peace and shared prosperity are in place.

"The Third National Development Plan (NDPIII) adopted a programmatic approach to planning and this approach has now also been adopted in budgeting," said Lugoloobi.

APRM validation should be people centered

While officiating the review, Rt. Hon. Speaker of Parliament Jacob Oulanyah urged stakeholders to ensure its findings and recommendations work in favor of the development of the ordinary Ugandans.

"Most of the time we come here and discuss and decide issues on behalf of ordinary citizens, how many times have we consulted them yet the programs we claim are for their benefit?" he asked.

He said the 11th Parliament has decided to focus on the people adding that the policies and proposed budgets should create a positive impact on the life of the Ugandans. The mechanisms, the Speaker said ought to assess whether government policies and laws facilitate private sector led growth and also provide for an inclusive consultative process.

"Interest rates are the basis of the general concern about affordable credit. If our private sector had developed, we would have lesser issues to do with unemployment because there would be enterprises to close this gap," he noted.

The assessment report was carried out independently by the Uganda National Governing council composed of government, CSOs, Academia, Trade Unions, Religious Institutions, Women, Youth, Private Sector and Parliament of Uganda with both the ruling party and the opposition.

APRM-Uganda 2nd Country Review report acknowledged Uganda as one of the best models in the managing and integration of refugees and a commendable governance best practice that can be emulated by other APRM countries.

Bishop Dinis Sengulane from Mozambique who led the APRM delegation said that they will compile a report highlighting some of the key findings with respective recommendations.

"We shall highlight areas of best practices that can help you to industrialize and mechanize the agriculture sector of Uganda and help Uganda become the food basket of the continent," he said

The compiled report will then be validated by President Museveni and presented to the African Union Summit of the APR Forum of Heads of State planned for February 2022.■

QUOTE

“The lower that tax to GDP ratio is, the less you will have a balanced budget, because the revenue coming from the taxes are not sufficient to finance all the budget, therefore I have to borrow to finance the budget. If we can raise our tax to GDP ratio to 20%, the situation will be different,” said Finance Minister Kasaija while officiating at Taxpayers appreciation day 2021■

“Contrary to media reports, both local and international that there is an eminent threat for seizure of government assets over alleged failure to service the loans, I wish to clarify that it’s a pure lie because there is no such threat. As constitutionally required, Government of Uganda is prepared and continues to be committed to repaying all its loan obligations not only with the Exim Bank of China, but all its creditors (bilateral, multilateral and domestic),” said Finance Minister Kasaija while commenting on recent rumours that Entebbe International Airport was to be taken over by the Chinese Exim Bank■

“Thank you Pader! 500 acres of land for industrial park development delivered. Steady progress to secure the future of the people of this land. I thank the community and leadership for embracing industrialisation,” said Minister of State for Investment and Privatisation, Evelyn Anite after receiving land to develop an industrial park in line with H.E the President’s directive to establish 25 industrial parks across the country in 5 years.■

“My fellow leaders, let’s put politics aside and serve our voters, let’s work with government and bring development to the grassroots. I want to urge my fellow Ugandans to save and limit yourselves on what you spend on, only spend on essentials so that you can save,” said the Minister of Microfinance Haruna Kasolo during his country wide tour to monitor progress of Emyooga program across the country. UGX 231 billion has been disbursed to about 6590 Emyooga SACCOs countrywide (6396 have received certificates of registration from Ministry of Trade) and these SACCOs have managed to save UGX 54.3 billion.■

“A key feature of the APRM is that it is home grown. This, as well as its voluntary nature, are important in improving and consolidating Africa’s ownership of its development agenda. APRM identifies deficiencies in governance and socio-economic development within member states that need to be rectified while successful stories and experiences are shared,” said Minister of State for Planning, Amos Lugoloobi, the National APRM Focal Point during the national validation for the 2nd report on implementation of the Uganda African Peer Review Mechanism (APRM) National Programme of Action at Kampala Serena Hotel on October 21, 2021■

“Government of Uganda has adopted a Private Sector-led approach in its economic policy and management, which places the Private Sector at the heart of Uganda’s strategies for economic growth and development. Government remains committed to enhancing the business environment in Uganda to enable the economy to grow sustainably. The outcomes of this Forum shall feed into the National Budgeting process to support Ugandan-based businesses to innovate, and to ensure the competitiveness of quality exports,” said Minister of State for General Duties Henry Musasizi while representing Finance Minister Matia Kasaija at the 12th National Competitive Forum.■

DID YOU KNOW!

Five years ago, Uganda begun the journey to deliver production of 20 million bags of coffee by 2020 (later revised to 2025), now according data from Uganda Coffee Development Authority (UCDA) the country exported 6.55 million bags of coffee worth $657.23 million in the year to October 2021, compared with 5.41 million in the same period last year, earning $513.79 million.

To further deepen local participation in economic activities, especially in provision of works and services, Government published an amendment of the 2003 Public Procurement and Disposal of Public Assets (PPDA) Act in July 2021, to provide for marginalized groups under reservations schemes, among other provisions. This will cement the already existing legislation on preference and reservation schemes that are geared towards promoting domestically manufactured goods; Ugandan contractors; and consultants in public procurements. Using the same schemes, the Act is inclined towards promoting certain sectors within specific geographical areas.

Uganda and Tanzania are working together to formalise a partnership to jointly bid for contracts in the Oil and Gas sector. The Government of Uganda, through the Private Sector Foundation (PSFU) and Uganda Chamber of Mines and Petroleum (UCMP) together with their counterparts in Tanzania are working on a Memorandum of Understanding (MoU) that will support local companies in both countries to benefit from the construction of the pipeline through provision of locally available goods and services.

Uganda Investment Authority (UIA) has signed and MoU with National Enterprise Corporation, following the directive by Cabinet to use the UPDF Engineering Brigade to construct infrastructure within the Industrial Parks.

Uganda is expected to achieve middle income status in Financial Year 2022/23 with a per capita income of US$ 1,049. This is expected to be largely driven by the Industrialisation Strategy based on export promotion and diversification of local manufacturing by taking on strategic public and private sector investments.

Data from the Uganda National Household Survey, 2019/20, published in September 2021, shows that between 2016/17 and 2019/20, employment in industry remained stagnant at 13.9% in 2019/20 from 13.8% in 2016/17. Employment in services, in the same period, declined from 50.3% in 2016/17 to 45.9% in 2019/20. This is a setback to the envisaged movement of labour from agriculture to high productivity sectors of industry and services.

Most of the labour has remained in agriculture with the sector experiencing 3.8% rise in its employment share from 35.8% in 2016/17 to 39.6% in 2019/20.

Within the framework of the NDP III, Government committed to a number of high level employment policy Reforms, namely:

- Mainstreaming Employment within the Macroeconomic Management Framework - 2.5 million jobs over the five-year period (About 512,000 jobs per annum)
- Expansion of the Spatial and Sectoral Employment Base – The Growth Triangle: [Malaba-Kampala-Katuna (Southern Corridor); Eastern Corridor (Malaba-Gulu-Arua) and the Albertine Corridor (Kasese-Gulu-Kitgum)] to drive employment-centred economic diversification
- Area-Based Commodity Development (ABCD) Strategy - actualized through the development of 18 priority commodity value chains under the Parish Development Model
- Enhancing Administrative Statistics for Employment Governance - through the Community Information System (CIS) of the Parish Development Model and wider Local Government Management Information System.

NDPIII targets raising per capita income, improving quality of life for all Ugandans - says Minister Kasaija

For the FY 2022/23, the National Development Plan (NDP) III targets raising per capita income from $954 to $1,049 and improving quality of life for all Ugandans, according to the Finance Minister Matia Kasaija.

The Minister said this while meeting members of Parliamentary Press Association at Hotel Africana on October 29th 2021.

He said implementation of NDP III targets has been disrupted by effects of COVID 19 pandemic and measures to contain its spread since March 2020. This, he said slowed a lot of economic activities and threatened socio-economic progress, with potential of reversing socio-economic gains that Uganda had achieved previously.

However, Kasaija said the Budget Strategy will present a way forward on how to deal with socio-economic constraints facing the economy and restore growth and development path to pre-COVID 19 levels.

"We had to adjust our budgets twice (for FY 2020/21 and 2021/22) in order to contain the rapid impact of this pandemic," he stated.

Kasaija said Uganda's fiscal pressures have risen, raising public debt to almost 50% because of increased spending needs in health, stimulus package and social protection for the vulnerable people.

However, he assured the public that Government is committed to keep debt ceiling below 50% in line with Medium Term Debt Management Strategy (FY 2021/22 – 2024/25).

"In spite of the above, Uganda's public debt remains sustainable in the short, medium and long term. I can re-affirm Government's unwavering commitment that Uganda shall continue to honor its debt obligations as they fall due. Uganda will not default on payment of its debt," said Kasaija.

He added that any future borrowing will be for only projects that are well appraised, viable and aligned to national development plan to enhance socio-economic transformation.

NDP III

FY 2022/23 Budget Strategy

The Finance Ministry Permanent Secretary/ Secretary to Treasury, Ramathan Ggoobi commenting on the budget strategy said government took several issues into consideration such as the current state of socio-economic progress and constraints, economic policy framework and budget interventions to support recovery as well as financing framework for the budget.

According to him, businesses have been severely affected by the COVID 19 pandemic with business activity reducing by more than 50% percentage points and 70% of businesses reducing their workforce.

Ggoobi also said the pandemic also reduced aggregate demand with a decline in domestic consumption, slowed private and public investment and reduction on Uganda's exports.

He added that due to COVID 19 pandemic, private sector credit growth declined from 12.5% in FY 2019/20 to 7.1% in FY 2020/21, health system stretched and education disrupted as well as tourism which was severely affected.

Opportunities for growth

Ggoobi pointed out several opportunities for economic growth and they include acceleration of import substitution, digitalization of aspects of socio-economic activities to increase efficiencies, reforming urban transport to reduce congestion, Foreign Direct Investment inflows towards major infrastructure and improved access to export market.

The CSBAG Executive Director Julius Mukunda during the meeting called for enhancement of pragmatic pathways to reduce domestic arrears.

"Failure to clear domestic arrears negatively impacts SMEs and results into high cost to Government due to increased interest payments. Reduce public wastages and this requires Government to address all potential causes of nugatory expenditure at all spending units by improving all spheres of operational efficiency," said Mukunda.

On fiscal discipline, he said Accounting Officers must execute the budget the way it was planned. "An accounting officer who misappropriates public funds should be made to explicitly refund immediately. This would cure risks like loss of time value of money that may accrue, awaiting parliamentary debate on the report."

Policy issues raised during FY 2022/23 Budget consultations

The Ministry of Finance Planning and

Finance Minister Kasaija, PS/ST, Ggoobi in a group photo with Uganda Paliamentary Press Association and members of the Civil Society

Economic Development in line with Section 13 (2) of PFM Act 2015(Amended) carried out consultative activities for FY 2022/23. During the consultations several meetings were held both at National and Local Government levels with Permanent Secretaries, Development Partners, Civil Society members, Private sector and all Local Governments.

The following are some of the salient national and local level issues that were raised during the engagements.

Duplication and uncoordinated implementation of several interventions by Votes under Agro-Industrialization program to address poverty challenges in the country especially under agriculture and related sub-programs.

The recommendation was that Ministry of Agriculture Animal Industry and Fisheries, Ministry of Water and Environment and Ministry of Trade Industry and Cooperatives should refocus investments along the agricultural value chain to increase production, productivity and address vulnerability to climate change and related shocks; reduce poverty and drive industrialization in Uganda

Regarding COVID impact on Tourism, it was recommended that efforts should be devised to revamp this program by aggressively supporting domestic tourism. Through the Ministry of Tourism, Wild Life and Antiquities and other MDAs, Government should invest in sustaining upstream investments in on-going product development and tourism related infrastructure including roads, electricity, internet and security in addition to increasing access to recovery financing.

It was also noted that access to Credit from Uganda Development Bank (UDB) remains a big challenge to Small and Medium Scale Enterprises (SMEs).They recommended that SMEs should be supported, sensitized and encouraged the access the low interest credit loans from Microfinance Support Centre (MSC) and small business recovery fund (SBRF)

On the issue of Uganda's public debt which is expected to go slightly above the ceiling of 50%, it was recommended that MoFPED should devise strategies to manage the rising public debt resulting from high domestic and external borrowing.

MoFPED in response said it has put in place the Medium Term Debt Management Strategy for FY 2021/22 to 2024/25 to manage public debt. On the same note, the Domestic Revenue Mobilization Strategy was designed to improve and raise the revenue to GDP ratio up to 20%.

On non-alignment of Local Government Budgets to the NDP III, it was recommended that MoFPED should provide hands-on support training to all Local Governments on alignment of their budgets to NDP III.

About Non issuance of guidelines for Conditional Grants, Parish Development Model, Emyooga and SMEs, it was recommended thatthe Ministry of Finance should expedite the process of issuing the guidelines for the above initiatives to allow Local Governments to implement these programs.

In addition, MoLG and MoGLSD should disseminate guidelines to ensure that simplified versions of policy, grant, budgeting and technical guidelines are issued on time by the end of the second quarter to inform Local Government planning and budgeting process.

Regarding **non guidance on the Presidential Directive on Army Construction Unit to undertake** construction projects under education and health, it was recommended that Ministries of Education and Health as well as PPDA should urgently finalize the guidelines to avoid unspent balances and the risk delaying the implementation since funds are already released.

On **Non-operationalization of newly created administrative units** it was noted that government created over 364 Sub-Counties, 352 Town Councils and 15 Cities. However, these haven't been operational largely due to resource constraints. In addition, Electoral Commission conducted election leaders in these units and they haven't been paid their allowances and ex-gratia.

The recommendation was that MoFPED should provide funds to functionalize the newly created sub counties, town councils and cities. According to MoFPED a supplementary of sh29b was cleared by Cabinet and submitted to Parliament for approval to operationalize these units in a phased approach. Other funding requirements will be provided over medium term when resources are available. In addition, funds amounting to sh8.59b supplementary request is before Parliament for approval for payment of ex-gratia and councilors' allowances.■

NDP III

Lukewarm commitment slowing down NDP III implementation

- says Ggoobi

Lukewarm commitment to programmatic approach by key stakeholders is one of the reasons hampering speedy implementation of National Development Plan (NDP) III, Finance Ministry Permanent Secretary/ Secretary to Treasury Ramathan Ggoobi has said.

He said this during the inaugural Private Sector Development (PSD) Programme and Development Plan Implementation (DPI) Programme Leadership Committee meeting on November 18th, 2021.

The Leadership Committee has an oversight function over programme implementation, enabling policy level coordination and monitoring progress towards target programme outcomes. The Committee ensures accountability for results by Programme Working Group.

"Over the first 17 months of the NDP III implementation, we have mainly been challenged by lukewarm commitment to programme approach by key stakeholders, unreadiness of PFM systems to immediately accommodate programmatic planning approach, limited capacity and capability to implement programmatic approach etc," he stated.

However, he said many of the challenges are currently being addressed and the

Hon. Musasizi, represented the Finance Minister Matia Kasaija at the meeting.

country is steadily getting on track in regards to timely implement of NDP III.

"Hon. Ministers, a key lesson from the above challenges is the need to issue the next NDP atleast one year before the completion of the current/running NDP. This will allow time for dissemination and understanding of the new NDP; change management and the planning and budgeting for the first year of the new NDP," said Ggoobi.

He also tasked members of Leadership Committee on the need to own, steer the Programme Annual Reviews by attending and participating, chairing sessions and holding press conferences, television and radio talk shows among others.

Finance Minister Matia Kasaija said that Programme Leadership Committee in the programme dispensation is supposed to meet at least twice a year to be updated on the performance and policy issues that require government attention.

"As of today, almost one and a half years since commencement of the implementation of NDP III program approach to planning and budgeting, this Leadership Committee has never met despite the fact that now we should have held at least three meetings," he stated.

He asked leaders to ensure timely implementation and timely achievements of intended results, both on paper and on the ground.

" As the Political Leaders of the Private Sector Development (PSD) Programme and Development Plan Implementation(DPI) Programme, we must be very concerned about the implementation and timely achievement of intended results both on paper and physical. We should equally be concerned about the implementation of the other 18 programmes, as their success is our success," said Kasaija.

He reiterated unconditional support and commitment to ensure successful achievement of various programme goals and objectives, and specifically the DPI and PSD Programme results.

About PSD Programme

The PSD programme objectives include sustainably lower the cost of doing business, strengthening the organizational and institutional capacity of private sector to drive growth, promote local content in public programmes.

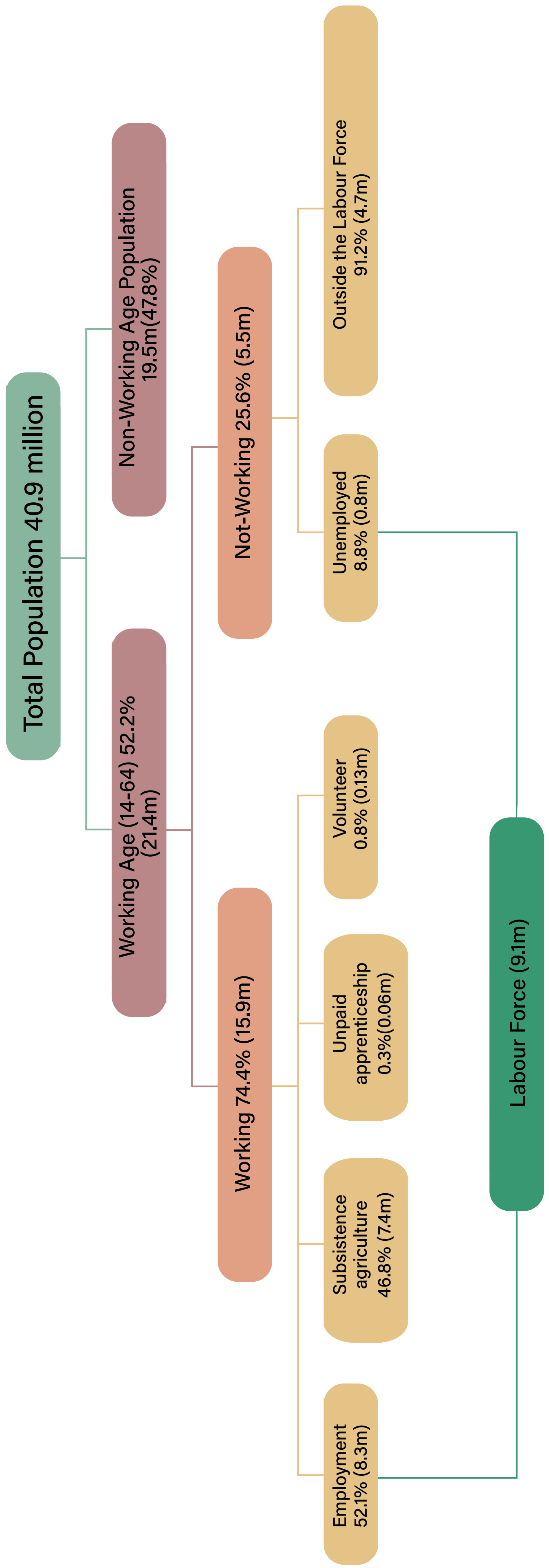
PSD programme also seeks to strengthen the role of Government in unlocking investment in strategic economic sectors as well as strengthening enabling environment and enforcement of standards.

The PSD results include reducing informal sector from 51% in 2018/2019 to 45% in 2024/25, increase non-commercial lending to private sector in key growth sectors from 1.5% in 2018/19 to 3% of GDP, increase the proportion of public contracts and sub-contracts that are awarded to local firms from 30% to 80% as well as increasing value of exports from $5,390 million in 2017/18 to $7,356million in FY 2024/25.


PSD/DPI leadership committee members

STRUCTURE OF WORKING AGE POPULATION 2019/20:

Resurgence of Subsistence Agriculture



PIM

Government Officials trained in Investment Appraisal and Risk Analysis

By Hannington Ashaba

According to its development blueprint, the Vision 2040, Uganda envisions to transform itself from a peasant and low-income country into a modern and prosperous nation within 30 years. Through its development plans, Government of Uganda has adopted a development approach that emphasizes expanding its economic infrastructure as the key driver of inclusive growth. Alongside this are large investments required for the country to access and export its oil, expected to start coming out of the ground in about four years' time.

A significant part of these investments is being provided within the public sector. The NDPs, the third of which is currently under implementation, have also emphasized economic infrastructure to boost other sectors of the economy, which will be critical to maintain and further improve economic diversification and avoid Dutch disease effects due to the huge forecasted investments in the oil and gas sector. The successful execution of the NDPs and the achievement of Vision 2040 will largely depend on the efficiency of investments in the public sector.

Following a Public Investment Management (PIM) diagnostic undertaken in 2015, the Government formulated and adopted a comprehensive multi-year Action Plan for PIM. The action plan prioritised the institutions, systems, actions, process, and procedures that government needed to establish in order to strengthen project in identification, preparation, appraisal, selection, implementation and monitoring and evaluation. Among others, Government has:

(i) Established a dedicated department in MoFPED charged with project analysis and public investment management.

(ii) Adapted guidelines for project preparation, and disseminated to all ministries and government agencies.

(iii) Developed the user manual on project preparation and appraisal.

(iv) Strengthened and expanded the Development Committee to ensure representation of key stakeholders, including Office of the President, Office of the Prime Minister, Office of the Solicitor General, Public Procurement and Disposal of Assets Authority, National Planning Authority and MoFPED, with this committee entrusted with the task of independent reviewing the project proposals submitted by the sectors using a standardized PIMS framework.

(v) Put in place an integrated bank of projects to act as a central repository of all project information thereby streamlining project approval processes within MDAs and DC. The IBP digitalises the four project phases covering project commencement to closure.

(vi) Adapted national parameters to aid in project and program appraisal.

(vii) Commenced building staff capacity for MDAs responsible for key infrastructure sectors in Government.

Particularly, capacity building was singled

Government officials undergoing PIM training

Government officials undergoing PIM training

out as an anchor for the success of the above reform agenda. This is becauseeven if the country has in place, systems and streamlined processes, without well trained human capacity, these reforms will not achieve the intended outcomes. One of the fundamental objectives of training in integrated investment appraisal is to make sure government does not take on bad projects but also ensure that good projects are not destroyed or postponed.

Human capital development is at a heart of the third NDP with a specific intervention of building a critical mass of civil servants at the different stages of the PIM Cycle. The target is to have three categorises of experts across Government and these are; Project developers and Appraisers, Project Management Professionals (PMP) and Project Monitoring and Evaluation Specialists.

To address the capacity challenges in Public Investment Management in the Public Sector, the MoFPED programmed this in country training in the Programme for Investment Appraisal and Risk Analysis (PIAR), targeting 44 officers drawn from various ministries, National Planning Authority, Civil Society and Makerere University.

This model of training involves bringing the PIMS experts blended with alumni from the country and the region to deliver the training in the country. This builds on the earlier efforts by the Ministry where five officials were trained on PIAR with support from World Bank and DFID at Queens University in Canada. This number was not only small but also costly to train. For example, the cost of training one official at Queens University in Canada, one of the few places where this training is offered is about 17,000 USD, but with the same budget the country has now been able to train more officials using this approach.

The hands on training was held in Mbale from 4th to 16th October 2021, and targeted participants mainly drawn from planning units, project preparation units project management units from for key infrastructure ministries such as Works and Transport, Energy and Mineral Development among others, equipped the staff with the requisite skills and capacity to undertake project appraisals without recourse to external consultants. In addition, even when consultants prepare projects, the officials will still have the capacity to critically review and interrogate studies to ensure they are accurate and reflect proper allocation of public resources for service delivery.

This model of training involves bringing international PIMs experts, lecturers from Queens University and the few alumni from the region and the country. Professor Gleen Jenkins, from Queens University was the leader facilitator.

The course takes one month, but working with the University, it was structured into two phases for two weeks each; one on the Financial and Risk analysis of projects, which was completed last year and then this second one on Economic and Stakeholder Analysis. Integrating both modules enables the analyst to look at the project in totality from the Investors' point of view which emphasises profitability of the project while the economic analysis looks at the impact of the project on the entire economy from the public sector perspective.

The Stakeholder Analysis then identifies who is impacted by the project and further quantifies by how much. This is key for the success or failure of most projects during implementation. That is why this training is unique in a way, because it is integrated in that fashion.

The course also involves both class work and use of labs, where participants are divided into computer labs to work on both group and individual cases which they are required to later present at the end of the training. There is also an exam at the end of the course and only those participants that attain the pass mark are awarded certificates. This certification is itself equivalent to two graduate course units and can be used to gain exemptions for post graduate studies in many universities.

Moving forward, the Ministry has partnered with Makerere University, School of Economics, which has now started a PIMs centre of excellence and the Civil Service College in Jinja to have this training locally without losing the principals, quality and practical experience.This will be cheaper and sustainable in the long run. All these efforts are aimed at reducing the cost so that we can cheaply build a critical capacity in PIMs in the country.

This course is for both public and private sectors because it equips anybody to understand the principles of Investment appraisal and Risk Management.

The training was closed by PS/ST, Ramathan Ggoobi who in his closing remarks said that the officers are expected to transfer the skills and knowledge acquired from this training to their respective work places.

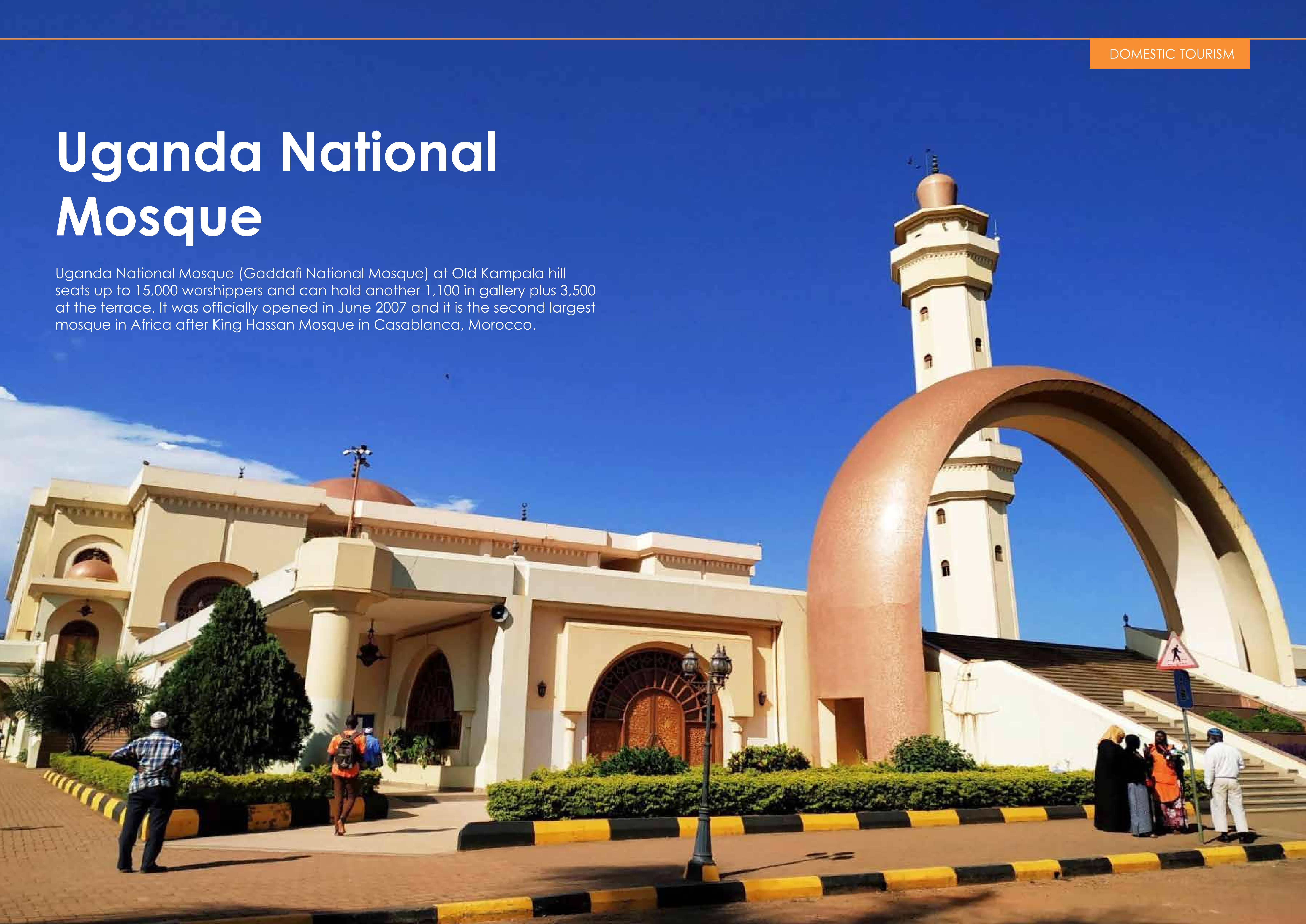
"With this human capacity investment, I believe you now have the skills to develop, interrogate and question the financial/ economic modules underlying proposed investments for our country," said PS/ST.

It is expected that the partnership between the Ministry of Finance, Planning and Economic Development and Makerere University for the establishment of the PIMs Centre of Excellence in the country will increase the required capacity across the entire government.

The Writer is a Commissioner for Projects Analysis and Public Investment Management

Uganda National Mosque

Uganda National Mosque (Gaddafi National Mosque) at Old Kampala hill seats up to 15,000 worshippers and can hold another 1,100 in gallery plus 3,500 at the terrace. It was officially opened in June 2007 and it is the second largest mosque in Africa after King Hassan Mosque in Casablanca, Morocco.



RESOURCE CENTRE

Sustaining decades of information provision:

The Role of the MoFPED Resource Centre

By Justine Juliet Ssempebwa

Background

The MoFPED Resource Centre is as old as the Planning function of the Ministry of Finance, Planning and Economic Development since 1960s and 70s when it was located in Entebbe, then to Uganda House in 1980s and 90s and now at the current location since 1998.

What is a Resource Centre?

The Resource Centre was established to serve government whose primary audience

are government employees in addition to the broader members of the public.

According to Toornstra (2001) and Bolt (2008), Resource Centres of Government Departments provide information to policy makers, government employees, and sometimes to the general public.

It is essential that Resource Centres of government departments are well managed so as to collect and provide relevant information needed by government employees for decision making.

The major objectives of government Resource Centres are to gather, analyze, process and disseminate information about their parent organizations.

Objectives of MoFPED Resource Centre

The overall objective of the MoFPED Resource Centre is to streamline the flow of information within the Ministry and with her stakeholders in order to bridge communication gaps, enhance cooperation and foster understanding.

Specific Objectives (functions)

- To provide modern, adequate and efficient Library services.
- To provide management support and coordinate virtual/telepresence communications.
- To provide IT support to Ministry users and other stakeholders.

The Library unit has the following sections

- Reception area
- Display section (new arrivals)
- Documents /Browsing/shelf area
- Reference section

RESOURCE CENTRE

- Periodical section
- Reading area
- IT area

Services provided

1.Library Services

•Provides both manual and e-library services to all ministry staff and stakeholders.
•Advise on formulation of information acquisition and dissemination manuals.
•Acquisition of new library resources.
•Document management services (Printing/photocopying, scanning and binding facilities).
•Disseminate information to ministry stakeholders.
•Networking with other Information Centres/Libraries for best practices and information sharing.
•Advise on procurement process for Library materials.
•Manage Library work plans and budget.
•Responsible for development and growth of the library.
•Management and updating the Ministry website in collaboration with the Communication Unit.

2. Tele-presence and collaboration services

•Coordinate virtual internal and external communications in the Ministry by using teleconferencing services.
•Organise smart meetings for Ministry users using video and audio presentations.

3.Signage communications

•Coordinates the real time Ministry events as they take place .
•Informs the public about what is happening in the Ministry.

Best practices

•The Ministry Resource Centre has and is still mentoring University students (interns), information scientists, IT officers and Librarians since its inception.
•Its one of the model Resource Centres among GoU information centres.
•Resource Centre personnel are consulted from time to time to share best practices with other information centres like East African Community Library and other GOU information centres.
•It is a dissemination centre for Ministry publications to its stakeholds ie. GOU departments, District Local Governments, Information centres and Libraries.
•The Resource centre personnel have represented the Ministry at several platforms including; international organisations and presented papers on e-Government, Information sharing networks and Library management.

Way forward

The Ministry Resource Centre is focussed on becoming an Information and Technology hub,capable of delivering modern services to the Ministry staff and other stakeholders.

The Ministry Resource Centre is open:
Monday to Friday
Morning Hours – 8.00 am – 12.45 pm
Afternoon Hours – 2.00pm – 5.00 pm

For more information about the MoFPED RC, you may contact:

MoFPED RC
Ministry of Finance, Planning and Economic Development.
P.O Box 8147, Kampala
Groung floor (next to security)
Room G-3
Tel: 0414 707 247
Email: webmaster@finance.go.ug
Website: www.finance.go.ug

The Writer is a Senior Information Scientist.

Justine Juliet Ssempebwa

IT SECURITY

Password Management Tips!

By Leone Byereeta

A password is a secret word or code used to serve as a security measure against unauthorized access to information. In fact, your password is what tells the computer or the system that you are who you say you are. Your password is like a key to your account, you need to safeguard it!!!!

Anyone who has your password can get into your account, your files and your application system responsibilities. Anyone who can guess your password has it. Anyone who has your password can pose as you. Therefore, you may be held responsible for someone else's actions, if they are able to get your password. This should NEVER happen to anyone.

Tips on safeguarding your password.

- ***NEVER give your password to anyone.*** "Anyone'' means your coworkers, your spouse or even your son/daughter, your systems administrator. In the event of an emergency, the systems administrator can change your password. Your systems administrator never has a need to know your password. If a user needs to get into your account, and has a reason to be there, do not give him/her access to your account – period!

- ***Make your password something you can remember.*** Do not write it down. If you really, honestly forget your password, The DBA's or SO's can easily give you a new one. They would rather set your password once a month because you forgot it than have someone find it written down and gain unauthorized access to your account.

- ***Make your password difficult for others to guess.*** This is not as hard as it initially seems. Choosing a good will be discussed later in this article.

- ***DO NOT Change your password because of mail from someone claiming to be a Systems administrator, supposedly needing access to your account!!*** This is a popular scam in some circles. Remember, your systems administrator never needs your password for any reason. If someone needs to ask you to change your password so that they can gain entry to your account, they do not have reason to be there.

NEVER give your password to anyone. "Anyone'' means your coworkers, your spouse or even your son/ daughter, your systems administrator

How to Choose a Good Password

Coming up with a good password can be difficult, so here are some guidelines and techniques you can use to formulate a strong password which is easy for you to remember but difficult for someone else to guess.

- In general, a good password will have a mix of lower and upper-case characters, numbers, and punctuation marks, and should be at least 6 characters long. Unfortunately, passwords like this are often hard to remember and result in people writing them down. Do not write your passwords down!

- Take a phrase and try to squeeze it into more than six characters, for example a phrase like "I wedded my beautiful wife in 2014" and take the first, second or last letter of each word and you would yield "iwmbwi2014" throw in capital letters to yield "IwmBwi2014".

- Another example, take a phrase ``You can't always get what you want'' would yield ``ycagwyw''. Throw in a capital letter and a punctuation mark or a number or two, and you can end up with ``yCag5wyw''

- Put a punctuation mark in the middle of a word, e.g., ``vege?tarian''.

- Something that no one but you would ever think of. The best password is one that is totally random to anyone else except you. It is difficult to tell you how to come up with these, but people are able to do it. Use your imagination!

How Not to Choose a Password

Here are some of the types of passwords that will be picked up by crackers/hackers:

- Words in the dictionary.
- Your user name.
- Your real name.
- Your spouse's name.
- Your son or daughter's name.
- Anyone's name (crackers don't necessarily know that your aunt's middle name is Agnes, but it's easy enough to get a list of 100,000 names and try each one).
- Any word in any ``cracking dictionary.'' There are lists of words that crackers/hackers use to try to crack passwords: passwords that a lot of people use. Some of these lists include:

Abbreviations, Asteroids, Biology, Cartoons, Character Patterns, Machine names, famous names, female names, Bible, male names, Movies, Myths-legends, Number Patterns, Short Phrases, Places, Science Fiction, Shakespeare, Songs, Sports, Surnames.

Happy New Year!

The writer is Acting Systems Analyst, Accountant General's Office

PICTORIAL

PS/ST Ggoobi and DG BOU Dr.Atingi-Ego after signing service level agreement (SLA) between the two institutions on responsibilities and quality of services BOU is expected to deliver.

Inter-Religious council of Uganda Presidents prays for PS/ST Ramathan Ggoobi soon after assuming his role at MoFPED.

PS/ST visiting the construction site for the Entebbe International Airport Freezone

Hon Musasizi officiated at the 5th Annual Procurement Summit 2021 held at Hotel Africana in Kampala

Participants at the 5th Annual MOFPED-NTV Economic Summit at Kampala Serena hotel

Finance Minister Kasaija and Works Minister Gen. Katumba meeting EU officials to discuss progress on the rehabilitation of the Tororo-Gulu metre gauge railway line.

Finance Minister Kasaija at the opening for the Uganda-India Business Convention in Kampala

CSR event - PS/ST hands over wheel chair & UGX 500,000 support to visually impaired Levi Etobait for his mother who suffered a stroke

Finance Minister Kasaija (M) meets Trade and Development Bank Group MD and President Emeritus Mr. Tadesse Admassu (3rd right) at MOFPED

Finance Minister Kasaija appreciating former URA CG Doris Akol during Tax Payers Appreciation Day 2021

Induction of new MoFPED staff presided over by PS/ST at Imperial Botanical beach hotel, Entebbe

CALENDER

STATUTORY BUDGET PROCESS CALENDAR FOR FY 2022/2023

NO.	ACTIVITY	PFM ACT 2015	PROPOSED DATES	RESPONSIBILITY CENTRE	DIRECTORATE
1	Issue the First Budget Call Circular for FY 2022/2023	15th September	Wednesday 15th September 2020	PS/ST	Budget
2	Submission of the National Budget Framework Paper FY 2022/2023 to Parliament [Section 9 (5)	By 31st December	Thursday 16th December 2021	Hon. MoFPED	Budget
3	Approval of the National Budget Framework Paper by Parliament [Sec. 9 (8)]	By 1st February	By Thursday, 20th January 2022	Parliament	Budget
4	Issue the Second Budget Call Circular FY 2022/2023	15th February	By Tuesday 8th February 2022	Budget Directorate	Budget
5	Presentation of the Ministerial Policy Statements to Parliament [Section 13 (13)	By 15th March	By Tuesday 8th March 2022	Line Ministries	Budget
6	Presentation of the Annual Budget in Parliament	1st April	By Thursday 17th March 2022	MoFPED, EOC and NPA	Budget
7	Approval of Annual Budget [Section 14 (1)]	By 31st May	Thursday, 19th May 2022	Parliament	Budget
8	Reading of the Budget Speech for FY 2022/2023 in Parliament	By 2nd Week Before 1st July	Thursday 9th June 2022	Hon. MoFPED	Budget, DEA, DCP

NDP III PROGRAMMES AND CORRESPONDING LEAD AGENCIES

No.	Program	Lead Agency
1	Agro-Industrialization	PS/MAAIF
2	Mineral Development	PS/MEMD
3	Sustainable Development of Petroleum Resources	PS/MEMD
4	Toursim Development	PS/MoTWA
5	Natural Resources, Environment, Climate Change, Land and water Management Development	PS/MoWE
6	Private Sector Development	PS/MoFPED
7	Manufacturing	PS/MoTIC
8	Intergrated Transport Infrastructure and Services	PS/MoWT
9	Sustainable Energy Development	PS/MEMD
10	Digital Transformation	PS/MoICT&NG
11	Sustainable Urbanization and Housing	PS/MoLHUD
12	Human Capital Development	PS/MoES
13	Innovation, Technology Development and Transfer	PS/MoSTI
14	Community Mobilization and Mindset Change	PS/MoGLSD
15	Governance and Security	SECRETARY/OP
16	Public Sector Transformation	PS/MoPS
17	Regional Development	PS/MoLG
18	Development Plan Implementation	PS/MoFPED
19	Administration of Justice	Sec/Judiciary
20	Legislature	Clerk/Parliament

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