MOFPED TIMES

Privileged Insights

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ISSUE No. 9 Oct - Dec 2022

Newly Rehabilitated Kayunga Regional Referral Hospital

POLICY BRIEFS

MoFPED COMMISSIONS ENHANCED IFMS

CHARTER FOR FISCAL RESPONSIBILITY LAUNCHED

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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PREVENTION OF COVID-19

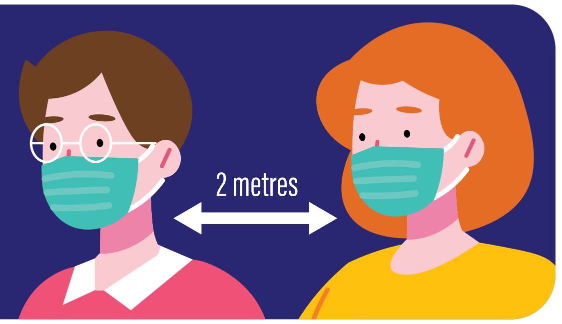
SAVE LIVES

1 **Wear a Mask**
Every time when in public

2 **Clean Your Hands**
Use handsanitizer or soap and water

3 **Temperature Check**
Check the temperature before entering any public place

4 **Keep Safe Distance**
Keep 2 metres of safe distance



Be safe, for you and others

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Cover Picture: Kayunga Regional Referral Hospital - OutPatient Wing

PUBLISHED BY
Ministry of Finance, Planning and Economic Development.
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www.finance.go.ug

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Ramathan Ggoobi
Permanent Secretary and Secretary to the Treasury

Ministry of Finance, Planning and Economic Development

Greetings

Warm greetings to our dear stakeholders,

I wish to start by assuring all Ugandans that despite several global, regional and domestic shocks that have hit the economy in the past couple of years, Uganda's economy has remained resilient and continues to recover. This is on account of good economic management and strong leadership.

Although our economic growth projections have been revised downwards from 6.0% to 5.3% this fiscal year, this remains high compared to the global and regional growth forecasts.

Global growth is forecast to slow down from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023 while Sub-Saharan GDP growth is projected to slacken from 4.7% in 2021 to 3.4% in 2022 and 3.7% in 2023 due to global inflation and severe tightening of the financial conditions.

Therefore, our next budget for FY 2023/24 is being prepared in such a challenging environment but in full alignment with the programme based planning and budgeting principles.

The NDP III has been reprioritised within the context of realistic resources projected to be mobilised to finance the plans. The targets and indicators have also been reviewed in light of the reprioritised budget and we are hopeful that this process will trigger recovery of the economy to attain inclusive growth, employment and wealth creation.

Going forward, we shall continue to prioritise funding to boost agricultural production and roll out of the parish development model. Priority will also be focused on revamping the railway, electricity transmission and distribution, small scale solar powered irrigation, private sector development and human capital development.

A number of budget reforms are being implemented including the transition from sector-based to programme-based medium term expenditure framework effective FY 2023/24. This is aimed at breaking the silo approach to resource allocation by giving discretion to programmes to allocate resources in line with the reprioritised programme implementation action plans.

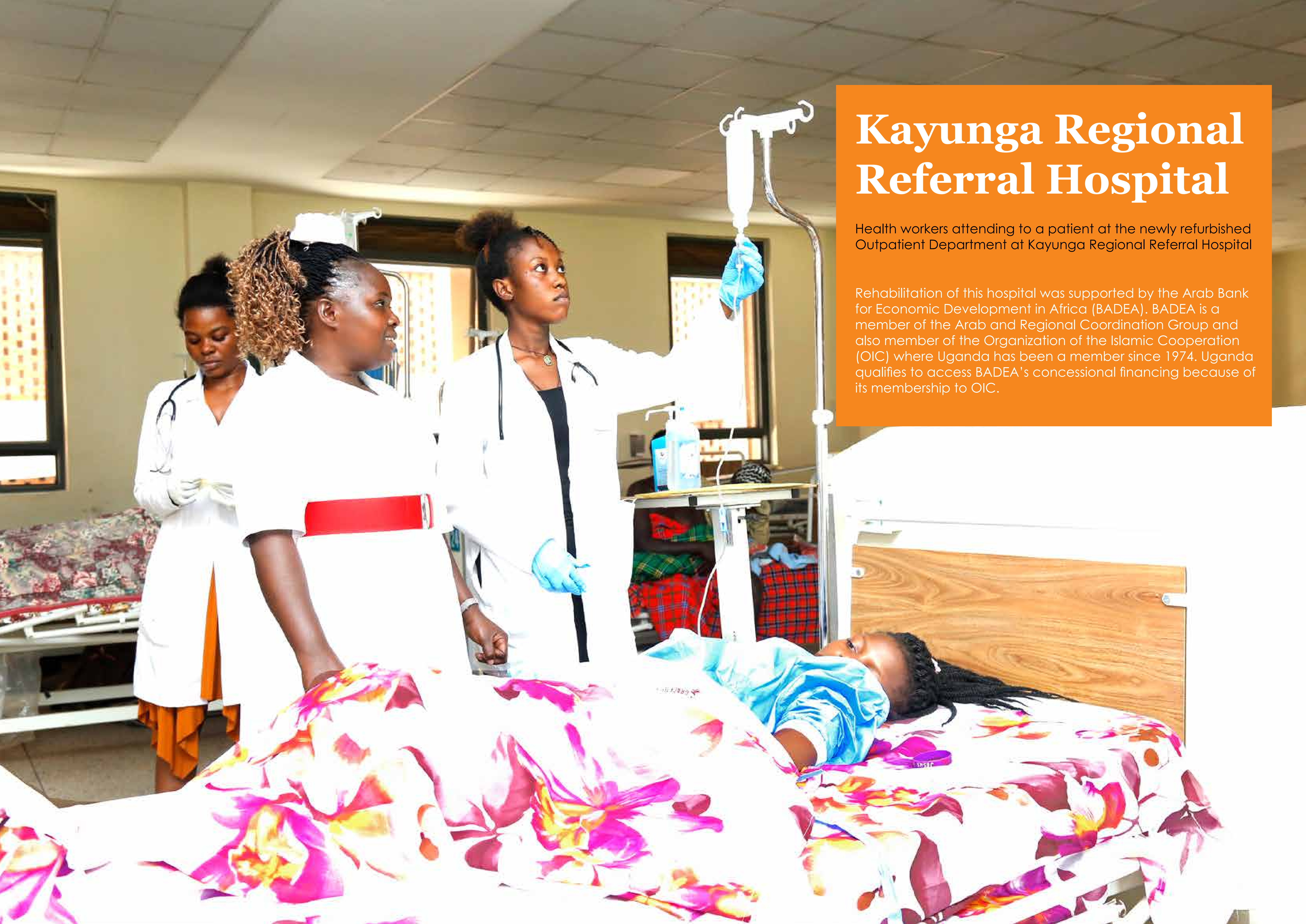
We shall continue to undertake fiscal consolidation by enhancing domestic revenue mobilisation, reducing government domestic borrowing to support the private sector, scaling down on government expenditure, reducing supplementary expenditures which have been the major cause of unplanned domestic borrowing and ensuring debt sustainability.

I congratulate you all for successfully going through 2022 and I wish you a prosperous 2023.

Enjoy reading this edition of the Times■

Ramathan Ggoobi

Permanent Secretary and Secretary to the Treasury



Kayunga Regional Referral Hospital

Health workers attending to a patient at the newly refurbished Outpatient Department at Kayunga Regional Referral Hospital

Rehabilitation of this hospital was supported by the Arab Bank for Economic Development in Africa (BADEA). BADEA is a member of the Arab and Regional Coordination Group and also member of the Organization of the Islamic Cooperation (OIC) where Uganda has been a member since 1974. Uganda qualifies to access BADEA's concessional financing because of its membership to OIC.

Apollo Munghinda
Principal Communications Officer

Ministry of Finance, Planning and Economic Development

Dear Stakeholders

Greetings from MoFPED,

What a pleasure to share with you Privileged Insights from MoFPED as we come to the end of this calendar year 2022.

We are grateful that the economy has remained resilient and continues to recover from the numerous economic shocks.

In this edition of the TIMES, we bring you the highlights of the National Budget Framework Paper for FY's 2023/24-2027/28 and the journey MoFPED has moved to upgrade the Integrated Finance Management System (IFMS) in a bid to strengthen transparency, accountability and traceability of public funds.

This Issue also contains an update on the official launch and dissemination of the Charter for Fiscal Responsibility and the Fiscal Rule for Oil revenue management which will ensure that all Ugandans including the future generations benefit from this resource.

We also draw your attention to the contents of the second National Strategy for Private Sector Development whose goal is to position the private sector to accelerate inclusive monetisation of Uganda's economy.

Finally, we delve into how we can achieve the future we want through Science, Technology and Innovation, among other issues of the economy.

Happy New Year 2023 and enjoy reading the MOFPED TIMES ■

Apollo Munghinda
Principal Communications Officer

Highlights of the National Budget Framework Paper for financial years 2023/2024 – 2027/2028

By MoFPED Comms Team

The National Budget Framework Paper (NBFP) for FY 2023/24 has been prepared in line with Section 9 (3) and Section 9 (5) of the Public Finance Management Act,2015 (Amended) which requires the Minister of Finance, Planning and Economic Development to seek approval by Cabinet and submit it to Parliament by 31st December.

The theme of the National Budget Framework Paper for FY 2023/24 is ***"Full Monetisation of the Ugandan Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access"*** anchored on the overall East Africa Community's agenda of ***"Accelerating Economic Recovery and Enhancing Productive Sectors for Improved Livelihoods"***

Real GDP Growth

Uganda's economic growth trajectory declined from 6.4% in FY 2018/19 due to the COVID-19 Pandemic to 3.5% in FY 2020/21. However the economy is now on a steady recovery following the full re-opening of the economy in addition to Government supportive measures to the private sector and prudent fiscal and monetary policies.

The GDP growth rate revamped to 4.7% in FY 2021/22 from 3.5% in 2020/21. In FY 2023/24, economic growth is expected to strengthen to 5.3% supported by Government initiatives like the Parish Development Model and Emyooga.

Over the medium term, economic growth is projected to average between 6% and 7% driven by anticipated increase in productivity in agriculture, manufacturing, recovery of the private sector, public infrastructure investments and operations in the oil and gas sector.

Inflation

Annual headline inflation in November 2022 reduced to 10.6% from 10.7% registered in October 2022. This was mainly driven by a reduction in annual inflation for energy, fuel and utilities as well as core basket. The prices of petrol, diesel, transport services, firewood, paraffin and propane gas declined compared to the previous month. For FY 2022/23 and 2023/24, annual headline inflation is projected to average 8.3% and 7.2% respectively and is expected to reduce to the 5% target in the medium term.

Medium Term Fiscal Framework

The overarching goal of the fiscal strategy is to attain inclusive economic growth, while maintaining a stable macroeconomic environment and preserving debt sustainability. This will be attained through continued investment in public infrastructure and implementation of the Domestic Revenue Mobilization Strategy (DRMS) which targets revenue to GDP growth of 0.5% every fiscal year.

According to the Charter for Fiscal Responsibility (FY 2021/22-2025/26), the total debt in nominal terms is to be maintained below 50% of the GDP while the fiscal balance including grants shall not exceed 3.0% of non-oil GDP by FY 2025/26.

Domestic Revenue

In FY 2023/24, domestic revenues are projected to amount to UShs28,831.1 billion (13.8% of GDP), from an estimate of Ushs 25,550.7 billion. This translates into nominal growth in revenues of Ushs 3,280 billion. 93% of the domestic revenues will be obtained from tax revenues (Ushs 26,810.2 billion) while the remainder will be obtained from non-tax revenue (Ushs2,020.8 billion). This is

"Full Monetisation of the Ugandan Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access"

Finance Minister Matia Kasaija

BUDGET

Participants at Budget consultative workshop FY 2023/24 at Jinja

attributed to gains on account of higher economic growth and projected revenue gains due to implementation of the Domestic Revenue Mobilisation Strategy (DRMS).

Over the medium term, domestic revenues are projected to grow by 0.5% of the GDP in line with the target set out in the Charter for Fiscal Responsibility and the DRMS.

Government expenditure and net lending

Expenditure and net lending in FY 2023/24 are projected to amount to Ushs 37,247.4 billion. This is slightly less than Ushs 37,471.9 billion in the approved budget for FY 2022/23. Over the medium term, current expenditures will average 10.8% of GDP while development expenditures will average 8.5% of GDP.

External borrowing

A total of UShs 8,343.8 billion is projected as external financing in FY 2023/24. Of this, UShs 2,452.1 billion will be obtained as budget financing loans and UShs 5,891.7 billion from project loans. Majority of project loans (UShs 3,078.3 billion) will be attained under concessional terms.

Domestic borrowing

Government borrowing from the domestic market for fiscal purposes in FY 2023/24 is projected at UShs 1,585.0 billion compared to UShs 5,007.9 billion in FY 2022/23 which is equivalent to 1% of GDP. Government's policy decision to maintain domestic borrowing to no more than 1% of GDP is aimed at avoiding the crowding out of the private sector.

Debt Repayments

External debt repayments (amortization) are projected to amount to UShs 2,453.2 billion compared to UShs 2,412 billion in FY 2022/23. Over the medium term, external debt repayments are projected to increase due to the increase in commercial loans over the last few years. Going forward, Government's financing strategy is to reduce borrowing on commercial terms and focus on concessional borrowing.

Interest Payments

Interest payments are projected to amount to UShs 6,135.5 billion equivalent to 2.9% of the GDP. Of this, UShs 5,227.6 billion is projected for domestic interest payments while the remaining amount equivalent to UShs 907.9 billion will be foreign interest payments and commitment fees. Over the medium term, interest payments are projected to average 2.3% of the GDP.

Update on Debt Sustainability

The Stock of public debt increased from USD 19.54 billion in June 2021 to USD 20.99 billion in June 2022. As a share of GDP, public debt increased from 46.9% to 48.4% over the same period. This represents an increase of 7.4% compared to 27.45% the previous financial year. This is as a result of Government's deliberate policy of fiscal consolidation aimed at ensuring that debt remains within the set threshold of 50% of GDP in the medium term.

Resource Envelope for FY 2023/24

Total resources available for Government expenditure will be obtained from both domestic and external sources.

The Preliminary resource envelope for FY 2023/24 is projected at UShs 49,988.7 billion compared to UShs 48,130.7 billion for FY 2022/2023. This reflects an increase of UShs 1,858.0 billion. It should however be noted that discretionary resource envelope has reduced by UShs 2,533 billion due to projected increase in interest obligations and obligation to settle Bank of Uganda redemptions.

For more information, visit:
www.finance.go.ug

MoFPED Commissions Enhanced Integrated Public Finance Management System

By Shaka Isaac

In a bid to strengthen transparency, accountability and traceability of public funds, the Ministry of Finance, Planning and Economic Development commissioned the upgraded Integrated Finance Management System (IFMS) to support management of public sector budgetary, financial, and accounting operations and promote better public financial management (PFM) with a centralized registry of public sector revenues and expenditures.

The IFMS, which has evolved over the past 20 years, automates key aspects of PFM processes from budget preparation, budget execution, accounting, reporting to oversight.

In his keynote address during the commissioning of IFMS at Serena Kigo on October 28, 2022, the Minister of State for Finance in charge of General Duties, Henry Musasizi said this was part of government's efforts to progressively improve governance.

"Government of Uganda has undertaken wide-ranging Public Financial Management (PFM) reforms to ensure efficient, effective, and accountable use of public resources," said Musasizi.

Among these reforms is the rollout of IFMS, which has played a critical role in improving budget preparation and execution, accounting, reporting, and oversight in Ministries, Departments, Agencies and Local Governments (MDALGs).

Strong public financial management (PFM) systems promote transparency, accountability, and good governance, which are essential for effective and sustainable economic development, hence desired service delivery.

Hon Musasizi said that the Budget Strategy for FY 2022/2023 underpinned by the NDP III seeks to restore economic activity to pre-COVID-19 pandemic levels, and subsequently accelerate the pace of socio-economic transformation. In addition, he said the strategy has identified automation of government processes as priority to enhance efficiency, save money, and fight corruption.

The United Nations E- government Index indicates that an increase in automation of government processes contributes to 1.17% decrease in corruption.

Automation reduces face-to-face interactions between the public sector staff and individuals, businesses, and other non-state actors, thereby reducing the ability of individuals to interfere with regulated and standardized processes.

Some of the automation initiatives being implemented include the rollout of the Electronic Government Procurement system, Parish Model Management Information System, Government Asset Management Information System, Education Information Management system, Integrated Health Management Information System, e-Payment Gateway, and the e-Post Digital Platform among others.

"I encourage you all to embrace and support the implementation of these automation initiatives to drive economic recovery. As we look forward to the future, Government of Uganda remains firmly committed to implementing ICT policies that will stimulate economic

Hon. Musasizi launching upgraded IFMS

recovery, enhance productivity and competitiveness of enterprises most importantly, wealth creation and jobs for the ordinary Ugandans," said Musasizi.

The Permanent Secretary/Secretary to the Treasury (PSST), Ramathan Ggoobi said the IFMS remains one of the key PFM reforms undertaken by GoU to enable efficient, effective, transparent, and accountable use of public resources.

He said the Ministry will continue to provide the necessary support for sustainable implementation of PFM systems by availing adequate funding for systems maintenance, putting in place appropriate governance structures, and facilitating capacity building.

"I take this opportunity to congratulate Accountant General's Office upon the successful implementation of the IFMS upgrade. I wish to particularly applaud the Accountant General for ably leading the PFM systems upgrade team," said Ggoobi.

The PSST said beyond the IFMS upgrade, current developments in digital technology combined with e-government tools can provide great opportunities to further improve efficiency, transparency, and accountability in the use of public resources.

Regarding big data analytics, the PSST said IFMS has been in operation for more than 15 years and has accumulated data that needs to be optimally utilized to make accurate predictions that form the basis for more intelligent fiscal policy formulation and implementation.

He pointed out that there is need to fast-track integration of PFM systems to enable citizens access government services easily and also to facilitate seamless and secure information sharing across government and private sector entities like banks to improve service delivery.

"As we look beyond the COVID-19 pandemic, we urgently need to build resilient PFM systems by re-engineering processes and adopting innovative ICT tools that can improve preparedness to respond effectively to future emergencies and mitigate potential disruptions associated with them," said Ggoobi.

Accountant General, Lawrence Semakula (right) and Ag.Director Financial Management Services Godfrey Ssemugooma at the launch of the Upgraded IFMS at Serena Kigo

On the cyber security threats, Mr. Ramathan Ggoobi said although automation of financial management processes has generated significant benefits, it also comes with challenges.

He said the threat of cyber-attacks on Government and private sector systems worldwide is at an all-time high and continues to increase, adding that the impact of these attacks range from financial loss, high remediation costs, loss of time and productivity and reputational damage.

The PSST advised that, as cybercrime and technology evolve, a different mix of skills, technological capabilities, and strategies for information security will be required to ensure that Government PFM systems continue to operate smoothly with minimum disruptions.

The Accountant General Lawrence Semakula said the IFMS enables real time availability of financial information for planning and decision making through dashboard, reports and online inquiries.

"IFMS implementation has played a central role in improving the GoU PFM system and institutions, which in turn form the bedrock for ensuring aggregate fiscal discipline, strategic allocation of resources to Government priorities and efficient delivery of public services," said Semakula.

He said other IFMS benefits include rollout of the Treasury Single Account (TSA), rollout of an e-cash solution for managing cash payments and implementation of Electronic Funds Transfer (EFT) among others.

Going forward, Semakula said his office will be addressing emerging issues which include the growing cyber security threats (external and internal),building capacity of staff with skills mix required to sustainably manage and support automated PFM processes, especially in Local Governments.

IFMS Implementation – Lessons Learnt

The Accountant General Lawrence Semakula said sustained political and technical leadership support is critical to successful implementation of PFM systems.

"PFM systems implementation requires significant financial resources in terms of initial capital investments and subsequent recurrent maintenance. Innovative change management strategies, and involvement of key stakeholders in the design and implementation of PFM systems is vital to system adoption," said the Accountant General.

He pointed out that IFMS implementation should be viewed as an institutional reform Project rather than an IT project, adding that Structured Project Management approach (Steering Committee, Project Management Team (PMT), Workgroups and dedicated project team) are essential for successful IFMS implementation.

Background

MoFPED has implemented various systems to improve efficiency and effectiveness in executing its core mandate for about 20 years.

The current upgrade was triggered by the need to upgrade key Government PFM systems to support the implementation of the new planning and budgeting approach based on programmes.

Following extensive consultations with key stakeholders, the upgrade of key PFM systems was commenced in January 2021 at the peak of the COVID-19 pandemic. The upgrade covered the Oracle-based IFMS used by Ministries, Agencies, and Local Governments (MALGs) and the Microsoft Navision system used by Uganda's Embassies/Foreign Missions.

The IFMS upgrade was successfully completed on time and within budget. The upgraded IFMS was deployed in the production environment on July 1st 2022 and can now be accessed by users from all Government entities that are connected to the system and fully aligned to programme budgeting that will enable GoU to measure results against the use of public funds allocated to the various Government entities.

Above all, IFMS implementation has played a pivotal role in improving the Government of Uganda Public Finance Management systems and institutions, which in turn form the bedrock for ensuring aggregate fiscal discipline, strategic allocation of resources to Government priorities and efficient delivery of public services.

IFMS

Charter for Fiscal Responsibility launched

By MoFPED Comms Team

The Second five-year Charter for Fiscal Responsibility for the period FY 2021/22 to FY 2025/26 was launched by the Minister of State for Planning, Amos Lugoloobi at Imperial Royale Hotel in Kampala.

This event also marked the official dissemination of the Charter and Fiscal Rule for Oil revenue management, which is anchored on the Charter.

The purpose of the Charter is to provide Government's fiscal objectives in the next five years that will ensure sustainable delivery of the Country's goal of socioeconomic transformation.

Section 4(3) of the Public Finance Management Act (2015) requires the Minister of Finance, Planning and Economic Development to prepare a Charter for Fiscal Responsibility in which he/she shall set measurable fiscal objectives based on the fiscal principles.

The fiscal principles include; sufficiency in revenue mobilisation to finance Government programmes, maintenance of prudent and sustainable levels of public debt and ensuring that fiscal balance, when calculated without petroleum revenues is maintained at a sustainable level over the medium term.

Other principles are; management of revenues from the petroleum resources and other finite natural resources for the benefit of current and future generations, management of fiscal risk in a prudent manner, consistency of the medium term expenditure framework with the national development plan and efficiency, effectiveness and value for money in expenditure.

"This event is important and timely because it gives us an opportunity to enhance awareness about Government's fiscal policy guidelines that take into account sustainable management of petroleum resources," said Lugoloobi.

He thanked Development Partners such as the Government of Norway for extending both financial and technical support towards the development of the Charter through the Oil for Development Program.

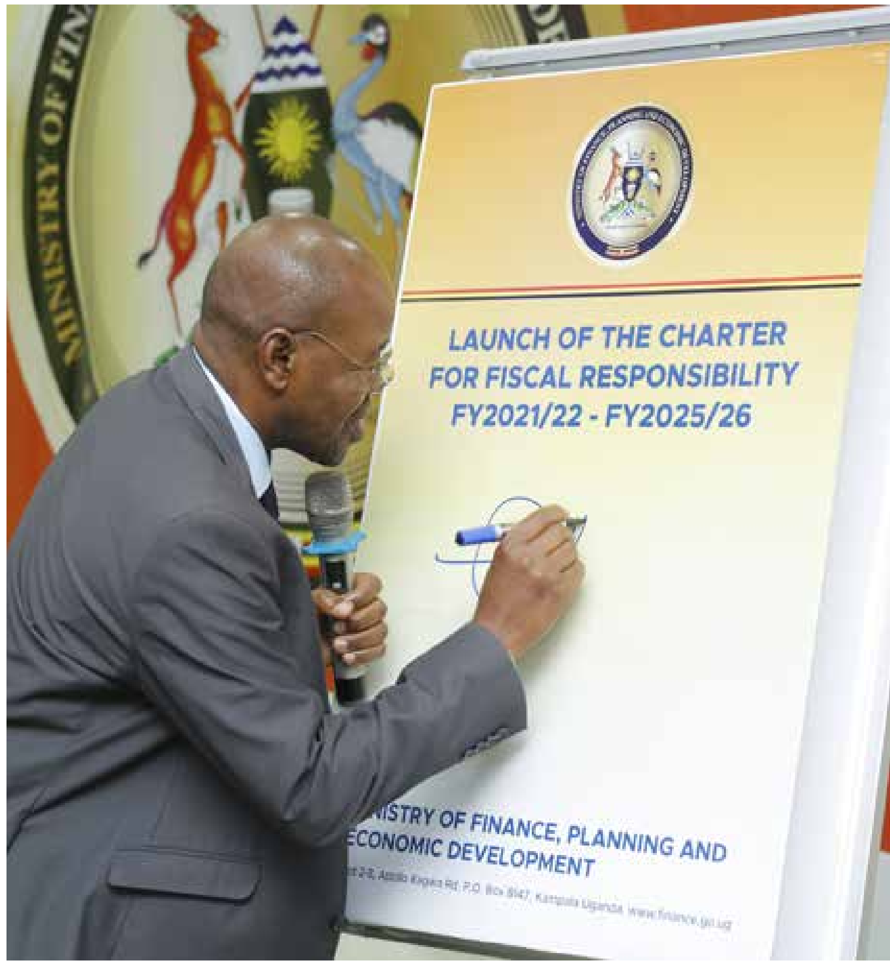
Measurable Fiscal Objectives

To maintain fiscal and debt sustainability over the medium term, three measurable fiscal objectives were stipulated in the Charter to guide fiscal policy and these are:

i. **Objective 1:** The ratio of total public debt to GDP in nominal terms is reduced to below 50% by financial year 2025/26

ii. **Objective 2:** The overall fiscal balance including grants should gradually adjust to a deficit not exceeding 3.0% of non-oil GDP by financial year 2025/26.

iii. **Objective 3:** A maximum of petroleum revenue worth 0.8% of the preceding year's estimated non-oil GDP outturn shall be transferred from the petroleum fund to the consolidated fund for budget operations, and the remainder of the petroleum revenues shall be transferred to the Petroleum Revenue Investment Reserve(PRIR)



Hon Lugoloobi launching CFR

The Deputy Secretary to the Treasury, Patrick Ocailap in his remarks said the Fiscal Rule aims at ensuring intergenerational equity and insulating the budget from volatile oil revenues by guiding on distribution between current expenditure and saving for future generations.

"I strongly believe that this initiative will erode some of the false notions surrounding the use and ownership of Uganda's oil resource," said Ocailap.

According to the Commissioner Macroeconomic Policy Department Dr Albert Musisi, the main difference between the first and second Charter is inclusion of the management of petroleum resources in this second charter.

He said the first charter (FY 2016/17 -2020/21) had two fiscal rules on debt and fiscal deficit/balance.

Dr.Musisi said Fiscal Objective 3 will ensure prudent management of revenues from the petroleum resources by avoiding the occurrence of the Dutch disease (a process in which the boom in the natural resource

DST Patrick Ocailap

Commissioner Macroeconomic Policy Department, Dr.Albert Musisi signing during launch of CFR sector such as oil results in shrinking of other export sectors.

Deviation from the Charter

According to the PFMA (2015), with approval of Parliament, the Minister may deviate from the objectives in the Charter in case of a natural disaster, an unanticipated severe economic shock and any other significant unforeseen event that cannot be funded under the Act or using prudent fiscal policy mechanisms.

Developments in the Oil and Gas sector

Peninah Aheebwa of the Petroleum Authority of Uganda said the final investment decision for Uganda's oil and gas project on 1st February 2022 marked the commencement of intense infrastructure development in preparation for the first oil in 2025.

She said Uganda's oil and gas sector is continuing to grow with exploration, development and commercialization of projects, which are bringing enormous opportunities to benefit Uganda's economy. Contracts worth USD 6.8 billion have been approved with USD 1.7 billion going to Ugandan companies.

Aheebwa noted that an investment of USD 15-20bn is expected to translate into an expanded tax base through national content and sectoral linkages. She said indirect value to Uganda's economy includes over 11,800 Ugandans who have been trained and certified in various oil and gas disciplines like welding, health safety and environment and scaffolding among others.

Fiscal responsibility is about pursuing appropriate levels of Government spending and taxation to achieve sustainable public finances, optimal rate of economic growth and appropriate levels of public investment. Fiscal rules are numerical guidelines imposed on budgetary aggregates to ensure fiscal responsibility, debt sustainability and macroeconomic stability. It can be a revenue and/or expenditure rule that guides conduct of fiscal policy to achieve set fiscal objectives.

"This event is important and timely because it gives us an opportunity to enhance awareness about Government's fiscal policy guidelines that take into account sustainable management of petroleum resources," said Lugoloobi.

Group photo after launch of CFR

MICROFINANCE

Cooperative Saving and Lending are key to Uganda's socio-economic transformation

By Shaka Isaac

President Yoweri Kaguta Museveni has said that Microfinance, cooperative saving and lending are central to Uganda's journey to socio-economic transformation.

This was contained in a speech read for him by the Vice President Jessica Alupo during the two-day first annual microfinance and savings groups conference held at Hotel Africana in Kampala.

President Museveni said the spirit of working together to prosper as a community is what connects microfinance with national development.

"The NRM government has rolled out a number of interventions to support microfinance and savings groups. These include: Bonna Baggaggawale, Emyooga, Parish Development Model etc. These interventions are aimed at enhancing access to finance for all," said the President.

President Museveni said access to finance is the lifeblood of economic development, adding that without affordable loans, people cannot start enterprises; businesses cannot invest in their growth and opportunities for productive innovation are lost.

He added that the first level of access to finance is at the household level whereby all Ugandans should have access to affordable credit to invest in profitable family enterprises.

The conference was organized under the theme: **"Drivers for sustainable Microfinance and Savings Groups in Uganda"**

The Minister of State for Microfinance, Haruna Kasolo in his remarks said the Microfinance industry in Uganda is one of the most critical government interventions in the quest for financial inclusion in Uganda. Kasolo said the key areas of focus to take the industry forward include strengthening the regulatory framework.

"My Ministry and government at large will work tirelessly to ensure that government strengthens the capacity of the institutions responsible for regulation of the microfinance and savings groups sector.

This involves streamlining the process of registration and licensing, oversight and accountability as well as monitoring the performance of the sector," he said.

He said the process of formulating the relevant laws has commenced. "We welcome all stakeholders' input to be incorporated to ensure that we evolve a credible and dependable microfinance industry in the country," said Kasolo.

The Minister said the Microfinance Support Centre (MSC) was established in 2001 to provide affordable credit, business development services and capacity building to microfinance institutions as well as micro, small and medium enterprises.

"MSC provides grants as well as credit to savings groups, SACCOs and small and medium enterprises at an interest rate ranging between 8% -13% per annum for on-lending to their members. Government will continue to capitalize Microfinance Support Centre as the bank for SACCOs," he said.

Regarding the Presidential Initiative on Job and Wealth Creation (EMYOOGA), Kasolo said the programme came into existence in August 2019 purposely to bring together urban groups of people engaged in similar enterprises to enable them access affordable credit to improve on their businesses and joint savings.

"To date over 6,664 SACCOs have been formed at constituency level and financed with Shs 30 million as revolving funds per every categorized group or enterprise," he said.

Vice President Jessica Alupo (with book) opened the conference on behalf of H.E the President

The Minister said over Shs. 72 billion from 205,710 Parish based associations has been mobilized as saving from 205,710 parish based associations and the 6,664 SACCOs representing 48.4% women, 30% youth and 2.56% PWDs as beneficiaries.

Kasolo also reiterated government commitment to capitalize each of the 10,594 Parish Development SACCOs with Shs. 100million every financial year. By November 2022, UGX 151 billion had been disbursed to 6,051 compliant SACCOs with each receiving UGX 25million. Another 2,664 SACCOs were in the process of accessing the funds.

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi said microfinance has been a key sector in Uganda's development agenda and over the years, Government has implemented and supported various policies and programmes to extend microfinance services to Ugandans, and in particular with respect to savings groups, commonly known as Village Savings and Loan Associations (VSLAs).

"Research continues to show that VSLAs are significant contributors to financial inclusion in Uganda, especially for the rural population. The 2020 Financial capability survey that was conducted by Bank of Uganda revealed that rural persons predominantly used VSLAs for saving (43.9%) and credit (47.7%). This was attributed to the speed of approval in these groups,"said Ggoobi.

He said the Ministry of Finance has implemented a number of initiatives geared towards supporting the savings groups industry in Uganda, noting that MoFPED's contribution to the savings' groups industry includes operationalization of policy and regulatory frameworks.

Ggoobi said the Microfinance Policy that commenced in 2015, was developed to guide the development of an integrated microfinance sector in the country strategically to increase access while improving safety and sustainability in the sector

He also highlighted the Financial Sector Development Strategy and the Tier 4

Speaker of Parliament Anita Among closing the conference

Minister of State for Microfinance Haruna Kasolo

Microfinance Institutions and Money Lenders Act (2016), which established the Uganda Microfinance Regulatory Authority (UMRA) to license, supervise and regulate Tier 4 Microfinance institutions and Money lenders.

The PSST said under the Project for Financial Inclusion in Rural areas (PROFIRA) 15,000 new village savings and loans associations (VSLAs) were set up while 285,000 and 298,000 were trained in financial literacy and business skills respectively.

The President Association of Microfinance Institution of Uganda, (AMFIU), Shafi Nambobi said the microfinance sector in Uganda has continued to grow through the application of deep-rooted sound practices with a double bottom line that emphasizes both profitability of the financial institutions and the economic and social transformation of their customers.

"To-date, the Association's membership has reached over 2,741,233 savers, 1,081,036 borrowers with a loan portfolio of over UGX 1,952,986,253,587. I therefore believe that the provision of microfinance services will continue to play a major role in making a sound economy and the lives of the vulnerable population better," she said.

Nambobi extended appreciation to Government through Ministry of Finance for providing an enabling environment for the sector to operate including the amendment of the Microfinance Deposit-Taking Institutions Act 2022, the establishment of the Uganda Microfinance Regulatory Authority to license and supervise Tier 4, opening up of the Credit Reference System to Tier 4 and the enactment of the National Payments Act to guide operations of Digital Financial Services.

The Conference was closed by the

Speaker of Parliament Rt.Hon. Anita Annet Among who applauded the conference for raising awareness, promoting and giving Ugandans a chance to exploit the available opportunities in the microfinance and savings groups industry.

"As a country, we have to confront the challenges of high levels of financial exclusion, high cost of credit, limited coverage banks and the need for better regulation of the microfinance sector," she said.

Speaking about the Emyooga programme, the Speaker of Parliament said there is need for intentional skilling of members, promoting innovation, ensuring value addition and planning for succession.

"I therefore support the proposed National Savings Groups Policy Framework for Uganda where Government is entrusted with establishing capacity building programmes and offer them at subsidized fees.

I commend the Melinda Gates Foundation for supporting the formulation processes of the Framework," said the Speaker.

She expressed the commitment of Parliament to support the development of the microfinance and savings groups in Uganda.

The Speaker also applauded the Executive Arm of Government for tabling the Microfinance Deposit Taking Institutions (Amendment) Bill 2022 which seeks to safeguard borrowers in case of abrupt closure of the institution, adding that there is also need for mechanisms to safeguard deposits in savings groups.

Group photo with the Speaker of Parliament Hon. Anita Among

BDS

Launch of the National Business Development Services (BDS) Framework

By Richard Jabo

Background

The Ministry of Finance, Planning and Economic Development working in collaboration with Enterprise Uganda, launched the National Business Development Services Strategy (BDS) Framework on 21st September 2022 at the Sheraton Hotel, Kampala.

The Launch followed a series of activities including the validation workshop on 27th January 2022, where stakeholders provided significant input into the Strategy development process.

The Ministry formulated the National BDS Framework to address the high mortality rate and informality of Micro, Small and Medium Enterprises (MSMEs) by responding to the business enterprises' needs for survival, growth and competitiveness.

It should be noted that Uganda's private sector is comprised of over 90% Micro, Small and Medium Enterprises (MSMEs) majority of which are informal enterprises.

The Permanent Secretary and Secretary to the Treasury,Ramathan Ggoobi who presided over the launch said MSMEs face many challenges but most of the challenges are symptoms of the disease which is lack of proper BDS.

"This framework is crucial for supporting enterprise survival, growth, resilience, competitiveness and creation of jobs," said PSST adding that it will also address poor coordination and risks of duplication of offering BDS.

Highlights of the National BDS Framework

1. Uganda's economy is Private sector led, composed of approximately 90% Micro, Small and Medium Enterprises (MSMEs) which are key in driving the country's economic development agenda. However, these MSMEs face numerous challenges that impact on their sustainability and growth, one of which is weak management capacities.

In addition, the COVID-19 pandemic affected all sectors of the economy and operations of most companies.

2. Business Development Services (BDS) are crucial in addressing major challenges that businesses face. Hitherto, there has been no clear Framework in place to guide the Public and Private sector players in providing BDS interventions. This has resulted into limited coverage, limited impact, and limited innovation by enterprises.

3. The BDS Framework has been designed to include all non-financial services that improve the performance of an enterprise, its access to markets and productive assets, competitiveness and sustainability.

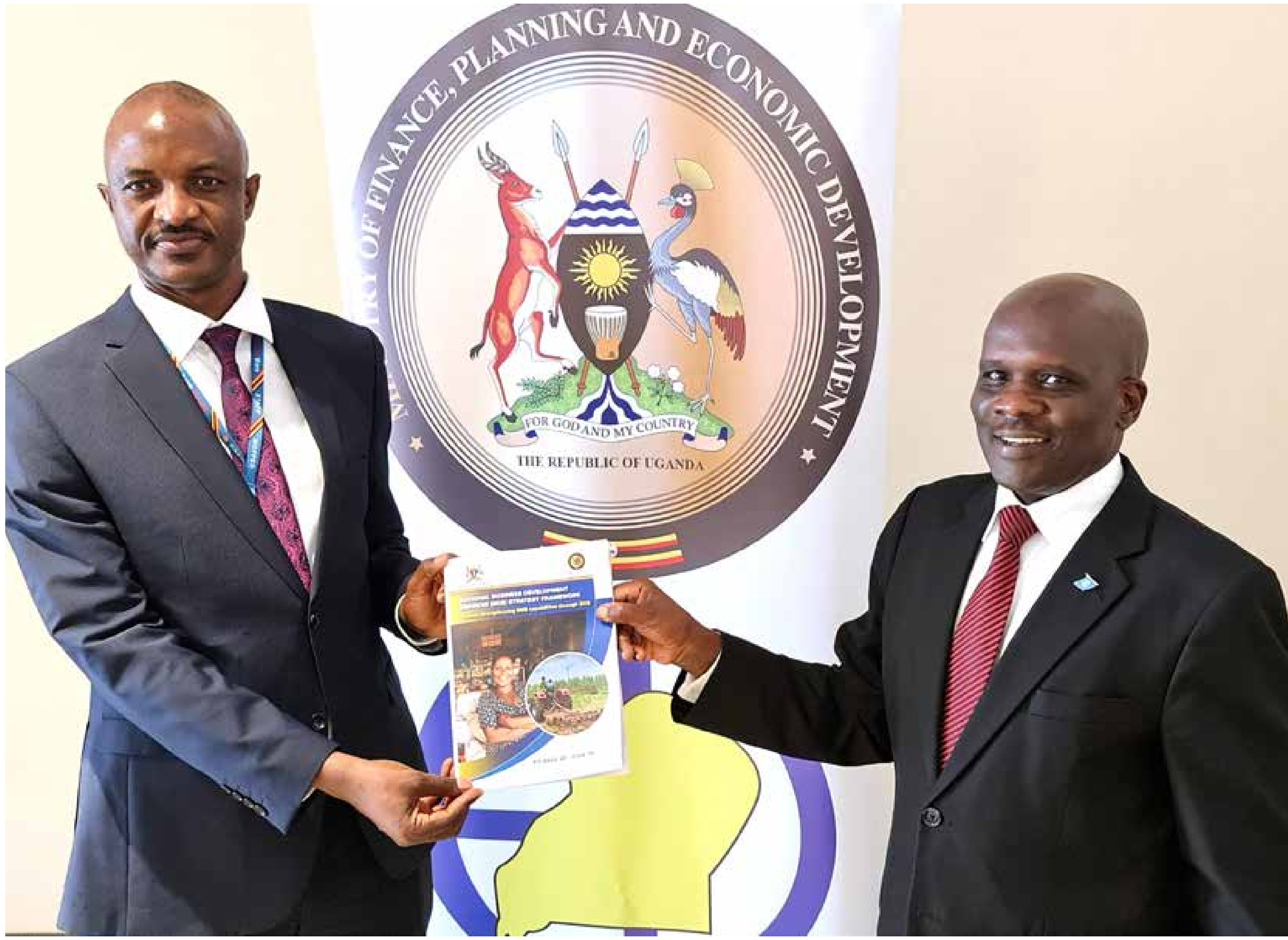
4. Under the Private Sector Development (PSD) Programme of NDP III, Government committed to improve the management capacities of local enterprises through massive provision of BDS geared towards improving firm capabilities. The second objective of the PSD Programme is to 'Strengthen the management capabilities of local enterprises through mass provision of BDS' geared towards improving firm capabilities to drive Growth, Jobs and Wealth Creation. The Framework, therefore, is anchored within the NDP III aspirations.

5. By design, the Framework is aligned to the Key Strategic Policies of the country like the Vision 2040, NDP III, the NRM Manifesto, Budget Strategy for FY2023/24, MSME Policy 2015, the Parish Development Model (PDM), among other policies.

6. The Framework is expected to streamline the activities of BDS Providers to provide certified services, and to ensure mass provision of standardized BDS for businesses at different stages of growth.

7. The Framework is anchored on 5 Pillars which include:

It should be noted that Uganda's private sector is comprised of over 90% Micro, Small and Medium Enterprises (MSMEs) majority of which are informal enterprises.



PSST Ggoobi and Charles Ocici, ED of Enterprise Uganda at Launch of BDS Framework

BDS

Pillar 1: Policy, Regulation and Coordination to govern the delivery of BDS for a systematic and sustainable growth of the sub-sector.

Pillar 2: BDS Quality Assurance, which will entail evaluation of the content, processes and competences of BDS providers.

Pillar 3: BDS Mass Uptake where government will develop a communication strategy to promote awareness and uptake of BDS by enterprises in addition to establishing partnerships with business associations as well as NGOs/CSOs and other non-state actors.

Pillar 4: BDS Digitization to increase access and ensure efficient delivery of BDS.Government will establish an online BDS portal to facilitate virtual access of BDS across the country, enhance digital literacy and make it attractive to the young people.

Pillar 5: BDS financing strategy will focus on enabling each Ministry, Department or Agency to enhance efficiency and mobilize funding for BDS interventions from the private sector, NGOs, Civil Society and from the development partners.

8. Under the Implementation Plan, MoFPED will take charge of coordinating the implementation of the Framework under the Private Sector Development program of NDP III. Some of the key factors for the successful implementation of the BDS Framework include the need for:

i) A whole-of-Government approach in delivery of BDS.
ii) Timely resource allocation.
iii) A BDS Centre of Excellence.
iv) Structured engagements with Development Partners involved in livelihood and enterprise development.

Way forward

i. The Ministry of Trade, Industry and Cooperatives shall provide leadership in developing the BDS Policy and Regulatory Framework.

ii. Government Programs, Projects and new interventions aimed at facilitating the Private Sector shall be required to mainstream BDS in their planning and budgeting, as part of the assessment criteria for approval of funding.

iii. Financing of the National BDS Framework shall be provided for in the National Budget. The Private Sector and Development Partners will only complement Government efforts in a more harmonized manner.

iv. Review of Parish Development Model Guidelines for BDS streamlining and mainstreaming for Pillar One (Production, Storage, Processing and Marketing); Pillar Three (Financial Inclusion); and Pillar Five (Mindset Change) has commenced. This is aimed at strengthening the capacity of PDM household enterprises and the entire ecosystem.

v. Government support to enterprises should only be accessible to those entities that have received BDS.

vi. Enterprise Uganda will be transformed into a BDS Centre of Excellence that will harmonize the mass delivery of BDS countrywide. It will support the establishment of Regional Centers of Excellence and will report on annual performance, monitoring and impact tracing of this Framework.

The Writer is a Principal Economist in the Economic Development Policy and Research Department

PSST Ggoobi with stakeholders after launching BDS Framwork at Sheraton Hotel Kampala

Second National Strategy for Private Sector Development launched

By MoFPED Comms Team

The Minister of State for Planning Amos Lugoloobi launched the second National Strategy for Private Sector Development (NSPSDII) at the 13th Annual National Competitive Forum (NCF) under the theme: **"Leveraging strategic export markets to boost investments for import substitution and export diversification opportunities."**

This forum brings together private sector stakeholders to discuss issues of private sector competitiveness in the economy.

This particular 13th forum was part of the budget consultative process for the FY 2023/24 and drew lessons from global best practices, relating to local realities in the different sub-regional capacities for production, value addition and export performance in line with the implementation of the Parish Development Model.

The previous engagements informed several budget and policy developments as well as the establishment of the Uganda Business Facilitation Centre, capitalization of Uganda Development Corporation and digitization and uptake of e-government processes which has improved efficiency in public service delivery.

The Minister of State for Planning Amos Lugoloobi, speaking at the forum applauded the private sector for its immense contribution to the development of Uganda.

According to the National Development Plan (NDP III), Private sector generates 77% of the formal jobs and contributes 80% of Gross Domestic Product (GDP)

The Minister said that the Second National Strategy for Private Sector Development (2022/23-2026/27) provides a comprehensive framework for identifying and coordinating interventions for superior private sector competitiveness.

Arising from the midterm review of the NDP III, Government plans to sustainably lower the cost of doing business by increasing access to affordable long term capital, promoting local content in public programmes and strengthening the environment and enforcement of standards.

"I take this opportunity to call upon the Private Sector to embrace business formalization, faster transition from trading to manufacturing and increased participation in Import substitution and export promotion efforts," said Lugoloobi.

The Deputy Secretary to the Treasury Patrick Ocailap said some of the issues affecting export performance which must be addressed include non-tariff barriers affecting intra-regional trade, persistent informal cross border trade, civil wars and inadequate trade facilitation, inadquate infrastructure and lack of market information about key export markets.

Ocailap said existing incentives to support exports development in Uganda include: 10-year income tax exemption for exporting finished consumer goods, tax holidays for exporters of finished consumer and capital goods, 10-year tax exemption for developers and operators in Industrial parks and export free zones as well as tax exemption on packaging materials for export goods.

Second National Strategy for Private Sector Development (NSPSDII)

The NSPSDII is a coordinating framework for all efforts aimed at private sector competitiveness in the country. It identifies and consolidates private sector interventions in the 20 NDP III programs and prioritises them for action to boost private sector competitiveness.

The goal of the NSPSDII therefore is to position the private sector to accelerate inclusive monetization of the economy.

The objectives of NSPSDII include: Sustaining efforts to reduce informality, fostering recovery and restoration of the private sector for sustainable economic growth and development, strengthening area based private sector development along commodity value chains and strengthening the coordination of state and non-state efforts for effective delivery of the whole of government approach to private sector development.

The NSPSDII provides feasible interventions at macro, meso and micro levels of the economy to turn around the private sector in terms of growth competitiveness and resilience.

The key interventions at the macro level (boosting investor confidence) include: fast tracking implementation of the Domestic Revenue Mobilisation Strategy (DRMS), prioritising payment of domestic arrears, capitalisation of public banks, implementing local content policy, infrastructure development and improvement of legal and regulatory frameworks as well as improving market efficiencies.

The meso level interventions (accelerating industrialization) target enhancing access to markets and growing opportunities, commodity value addition, business to

Minister of State for Planning Amos Lugoloobi launching the Second National Strategy for Private Sector Development at Golf Course Hotel in Kampala

NSPSDII

business linkages, promoting local content consumption and incentivising input-supply oriented MSMEs among others.

The micro level focusses on enhancing profitability and growth of enterprises, improving productivity (land, labour and access to finance) as well as professionalism of SMEs to provide standardised and tailored Business Development Services (BDS).

Government Commitments to support the Private Sector

In the budget speech for FY 2022/23, Government committed to provide affordable and accessible credit under the Uganda Development Bank, Uganda Development Corporation, the Small Business Recovery Fund and the Agricultural Credit Facility to support economic recovery.

Government also pledged to implement appropriate fiscal and monetary policies to mitigate impact of economic shocks in addition to enhancing investment in infrastructure to enhance production, value addition as well as national and regional market access and entry.

There was also commitment to operationalise the existing industrial parks and support local industries to acquire appropriate technologies and product certification among other interventions.

Government has to a larger extent delivered on the above commitments contained in the budget speech for FY 2022/2023.

Government is also focusing on increasing use of technologies in agricultural production under the Parish Development Model and other food security enhancement initiatives.

"I take this opportunity to call upon the Private Sector to embrace business formalization, faster transition from trading to manufacturing and increased participation in Import substitution and export promotion efforts," said Lugoloobi.

Hon. Lugoloobi with Stakeholders at launch of NSPSDII

This was at the GGGI Ministerial meeting where member countries discussed the climate crisis and green transformation. The signing ceremony was witnessed by the GGGI President BAN Ki Moon.

GGGI aims at shaping a resilient world through inclusive and sustainable green growth. GGGI supports developing countries to achieve sustainable growth.

Finance Minister, Hon.Matia Kasaija in Seoul, South Korea where he signed the Global Green Growth Institute-Uganda Country Planning Framework (2022-2027) with Director General GGGI Dr.Frank Rijsberman

Hon.Musasizi applauded BADEA for the support extended to Uganda in the various sectors of Government (Health, Transport, Energy and Education among others)

The Chairman Board of Directors BADEA Dr. Fahad Aldossary said the strong cooperation between Uganda and BADEA is reflective of the deep-rooted historical relationship between Uganda and the Arab world.

Two lines of credit amounting to USD 10 million each to Uganda Development Bank Limited were signed to finance trade operations and private sector projects respectively.

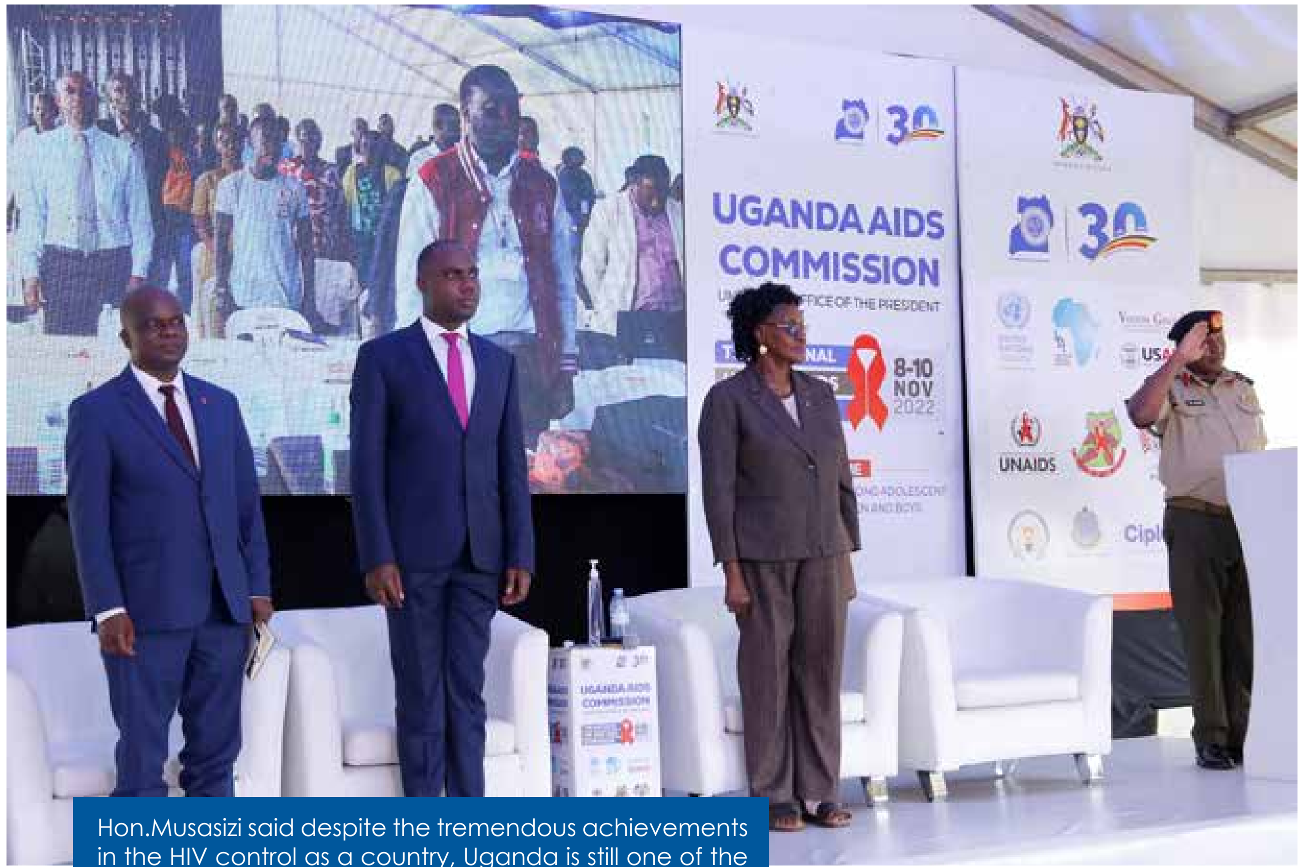
Dr.Fahad ,Chairman Board of Directors BADEA, MoS General Duties Hon. Musasizi, UDB CEO Patricia Ojangole and Director General BADEA Dr. Sidi during meeting of the Board of Directors October 2022 in Kampala.

Minister of State for Investment & Privatisation Hon. Evelyn Anite said by close of the FY 2021/22 out of 506 companies allocated land across regional industrial and business parks were fully operational. 155 out of 212 are local private players. She also noted that during the year, Uganda Investment Authority acquired approximately 5,320 acres of encumbrance free land in West Nile, Acholi, Lango, Ankole, Kigezi, Tooro and Central Sub-regions for establishment of Regional Industrial and Business parks.

Minister of State for Investment & Privatization Hon.Evelyn Anite opening the Private Sector Development Programme Annual Review FY 2021/22 at Mestil Hotel in Kampala

Minister of State for Microfinance, Hon.Haruna Kasolo on behalf of the Government of Uganda and the Head of the East Africa Division of the Federal Ministry of Economic Cooperation and Development of the Federal Republic of Germany, Mr. Marcus von Essen, on 12th October 2022 signed a cooperation agreement where Germany committed EUR 68.8 million in grants. This was during his recent trip to Germany.

This followed successful conclusion of negotiations between the two countries on the framework for development cooperation for the next two years. The new commitment will particularly focus on improving climate adaptation and resilience by supporting interventions such as sustainable management of forests.



Hon.Musasizi said despite the tremendous achievements in the HIV control as a country, Uganda is still one of the hardest hit countries by the HIV/AIDS pandemic. "We are still ranked among the top 10 HIV high burden countries in Africa," said the Minister. Current country data for HIV shows 1,400,000 people are living with HIV. At the national prevalence rate of 5.8%, Uganda tops her peers in East African community followed by Tanzania at 5.0%, Kenya, 4.2%, Rwanda,3.1%, Burundi,2.9% and South Sudan at 2.5%.

Minister of State for General Duties, Hon.Henry Musasizi (2nd L) officiating at the closing of National HIV and AIDS Symposium at MUBS on 10.11.2022

Trade Minister Francis Mwebesa, MoS for Investment & Privatisation Hon.Anite, PSST Ggoobi & other Stakeholders at PSD Programme Annual Review FY 2021/22 at Mestil hotel

It was noted under this programme that many MDAs are still struggling to understand and appreciate programme based planning and budgeting approach. Other issues that need to be addressed include; strengthening coordination, monitoring and evaluation, closing gaps in the implementation of the decentralised policy & improving quality and reliability of baseline data among others.

3rd Deputy Premier Nakadama (with veil), Ministers & other stakeholders pose for photo at the Development Plan Implementation Programme Annual Review FY 2021/22 at OP conference hall

PSST Ggoobi speaking at the 6th Annual Economic Summit 2022 at Kampala Serena hotel under the theme: "Strategies for stabilizing Uganda's Economy to realize Sustainable Inclusive Growth amidst global turbulence and uncertainty"

He said Uganda's economy has always been resilient and continues on its recovery path. "This is not by good luck; it's on account of good economic management," he said.

PSST Ggoobi speaking at the 6th Annual Economic Summit 2022 at Kampala Serena Hotel

STI

PSST Ggoobi speaks on achieving the future we want through science, technology and innovation

By MoFPED Comms Team

Vice President Jessica Alupo with STI Minister Dr Musenero,Works State Minister Ecweru (L) & PSST visiting exhibitors at NSW 2022 at Kololo

The Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi delivered a keynote address at the National Science Week 2022, which took place at Kololo Ceremonial grounds.

This was a platform where Ugandan Scientists and Innovators exhibited innovations in areas of agricultural value addition, vaccine development, robotics, automotive and other industrial innovations.

The PSST in his keynote address said Government is committed to using Science, Technology, Engineering and Innovation (STEI) to transform the fortunes of the people of Uganda and East Africa.

He said the four (science, technology, engineering and innovation) are key drivers of socio-economic development by virtue of their capacity to improve productivity, enhance private sector, competitiveness, promote accelerated growth and create jobs.

"The large disparities in income and social development between the developed and developing countries are rooted in the considerable differences in technology. Societies that have embraced and harnessed STI have developed faster," said PSST Ggoobi.

He said Government is determined to ensure that Uganda catches up and is not left behind in the Fourth Industrial Revolution (artificial intelligence, robotics, the Internet of Things, virtual reality, autonomous vehicles, 3D printing, blockchain technology, nanotechnology, biotechnology and quantum computing among others) as was the case with the previous industrial revolutions.

Ggoobi said Government is focusing on leveraging STI and creating an enabling environment for innovators by dealing with challenges encumbering STI development such as weak technology-related infrastructure, lack of stakeholder and institutional synergy, crippling bureaucracy in Government as well as human capital challenges and poor absorption of research outputs.

Progress so far made

Over the last five years, Government has spent a total of Shs.1.112 trillion on STI interventions and the annual budget released to STI has grown from Shs.52.8 billion in FY 2018/19 to Shs.476.9 billion in FY 2021/22.

Notable areas PSST Ggoobi highlighted include: creation and targeted support to STI programmes by building full-fledged STI ecosystem with affiliated agencies such as Uganda Industrial Research Institute, Uganda National Council of Science and Technology, Banana Industrial Research and Development Centre and Kiira Motors Corporation.

He said the priority STI interventions include: establishment of the Machining, Manufacturing and Industrial Skills Development Centre at Namanve, Value- Addition and Import Substitution in the nascent automotive industry (Kiira Motors), establishment of the Research and Innovation Fund (over Shs.60 billion in 5 years), Makerere University Research Fund and now the National Space Programme where Uganda has been able to deploy its satellite in the international aero-space.

In the area of agricultural research and development, the PSST said through the National Agricultural Research Institute (NARO),Government has developed and disseminated over 800 technologies, innovations and management practices which have increased agricultural productivity and production.

Some of the success stories of agricultural research and development include the development and promotion of coffee wilt disease – resistant varieties, improved high yielding rice, cassava, millet and banana (wilt disease resistant) varieties.

PSST delivering keynote address during the National STI week 2022 at Kololo ceremonial grounds

The researchers have also improved dairy and beef productivity through development and promotion of improved pastures and current vaccine research and development especially the anti-tick vaccine to boost sustainable control and management of tick burdens in the livestock sector.

Way Forward

The PSST reiterated Government determination to create an enabling environment for strengthening the STI capacity and adopting a programmatic approach to STI development through a deliberate collaboration among relevant government agencies, stakeholder groups and the private sector.

He also highlighted increased funding to research institutions, establishment of technology business incubators focused on supporting start-ups and operationalisation of the Kiira vehicle plant to kick-start an automotive industrial and Technology Park.

Ggoobi said Government is also going to continue with better pay for scientists to motivate them to serve better, in addition to creating a supportive regulatory environment for STI as well as research and development in human capital to encourage innovation and healthy education.

"Science and technology are going to be the basis for the solutions to world's socio-economic and security problems. STI are the propellant for building a thriving country, and the happiness of Ugandans," said Ggoobi.

According to the Minister for Science, Technology and Innovation, Dr.Monica Musenero, the National Science Week

Kiira Motors Bus exhibition at NSW 2022

was intended to create collaboration opportunities for Scientists, Innovators and Investors.

She said adoption and use of STI will help Uganda to achieve increased productivity, efficiency, job creation and revenue generation towards a prosperous Uganda by 2040.

The National Science Week 2022 was opened by the Prime Minister Robinah Nabbanja and closed by the Vice President Jessica Alupo who represented President Museveni.

Both Principals emphasised that STI are the key drivers for the development and prosperity of Uganda.

"Science and technology are going to be the basis for the solutions to world's socio-economic and security problems. STI are the propellant for building a thriving country, and the happiness of Ugandans," said Ggoobi.

Researchers at NARO Namulonge show PSST modern ways of producing and preserving pasture

Lugoloobi applauds National service delivery survey findings for FY 2020/21

By MoFPED Comms Team

Minister of State for Planning Amos Lugoloobi has said the NRM Government is committed to ensuring that effective service delivery remains the ultimate outcome of the National Development Agenda.

He said government appreciates the importance of investing in its people and ensuring that they live prosperous and productive lives, adding that requisite infrastructure including roads, electricity generation and distribution and railway network remains priority to boost investment and create jobs.

Lugoloobi made the remarks during the launch of the National Service Delivery Survey (NSDS) 2020/21 findings at Statistics house conference hall.

This is the fifth NSDS series over the years running from 2000, 2004, 2008 and 2015. The survey done by Uganda Bureau of Statistics (UBOS) collects and avails information necessary to inform public reform programmes through efficient service delivery to the citizenry.

Through the survey, government receives feedback from the population on how the different government institutions deliver their mandates to satisfy people's needs.

"I am happy and expectant that the results will mirror to us the availability, accessibility, cost and utilization of services by the citizens and their levels of satisfaction," said Lugoloobi.

The Minister for Public Service, Muruli Mukasa who launched the survey results thanked UBOS leadership, the technical team and Partners for continuously availing reliable and official statistical indicators that give a true picture of service delivery.

He said good governance is determined by the level of service delivery as evidenced by the prevailing security, peace, health and education services and well as the resultant job opportunities.

The NSDS 2020/21 was conducted in all regions of Uganda covering various sectors such as Education, Health, Agriculture, Infrastructure, Water and Sanitation, Energy Justice, Law and Order, Public Sector Management and Accountability.

According the UBOS Executive Director Chris Mukiza, the survey covered all 146 districts and 15 statistical sub-regions covering both urban and rural areas.

He said the survey comprised of three modules and these are - the household module that sought information from households, the community/service provider that collected information from services available in communities and the District level service provider questionnaire, which was responded to by heads of selected departments and institutions.

UBOS Board Chairperson Albert Byamugisha pledged to continuously engage all stakeholders in building and strengthening the national statistical data to respond to all existing statistical needs in the country.

Like all speakers, he called upon stakeholders to utilize the data to undertake in-depth empirical analysis to inform policy formulation, implementation and monitoring of improved service delivery.

Selected Findings

The estimated household population increased from 36.3 million in the 2015 NSDs to 43.4 million in the NSDS 2021.Females (22.5 million) were slightly more than males (20.9 million) in NSDS 2021.

Nationally, 75% of the household population aged 6-12 years were attending primary school at the time of the survey in 2021.

One is every ten persons (12%) reported an illness in the 30 days prior to the date of the interview which is a decline from 26% in 2015.Fever (22%) and headaches (19%) were the most reported symptoms and 8 in every 10 persons sought health care when they fell sick.

At national level, accessibility to safe water during the dry season in 2021 was 79%, which was an increase from 75% in 2015. Boreholes/protected springs and gravity flow scheme (51%) were the main water sources.

(L-R) UBOS Board Chair Dr.Byamugisha, MoS Public Service Mary Mugasa, Public Service Minister Muruli Mukasa, Hon. Lugoloobi & UBOS ED Dr.Mukiza at launch of NSDS 2021

Hon Lugoloobi speaking at the Launch

About six in every 10 households (57%) use kitchen built outside of the main dwelling. Close to 8 in every 10 (78%) households lived in owned dwelling units, which was a 2% increase from 2015.

Crop husbandry is the more common agricultural activity (62%) followed by animal husbandry (26%). Food crops (65%) were the most commonly grown crops for sale followed by coffee.

Compared to 2015, there was a decline in the percentage of households that reported community roads as the nearest type of road from 62% to 57% in 2021. Overall 85% of the households indicated that the nearest road to their dwelling is usable all year round.

At national level, knowledge of the LC1 as a place of arbitration had the highest proportion (95%) followed by the Uganda Police (92%). About 2 in every 10 respondents (26%) reported bribery as the most common form of corruption existing in the public sector.

The results indicate that most of the enterprises were engaged in trade (63%) followed by those in hotels, restaurant/ eating-places (12%) and the least is education at (1%).

Sixty five percent of the population 15 years and above in Uganda owned a mobile phone in 2021, with (54%) owning ordinary phones and (9%) owning smart phones.

"I am happy and expectant that the results will mirror to us the availability, accessibility, cost and utilization of services by the citizens and their levels of satisfaction," said Lugoloobi.

BUDGET

PSST meets Government Planners in preparation for FY 2023/24 Budgeting

PSST Ggoobi addressing Government Planners

By MoFPED Comms Team

The Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi in the month of November met all Government Planners (Central and Local Government) during a workshop organised by MoFPED to build capacity of Planners in preparation for FY 2023/24 Budgeting at Imperial Royale Hotel in Kampala.

The Ministry of Finance, Planning and Economic Development has the mandate of coordinating the Planners in Ministries, Departments and Agencies as well as Local Governments to ensure strategic alignment to government frameworks and also promote transparency, accountability and efficiency in planning,budgeting,execution, monitoring and evaluation of government programmes.

The PSST said the conduct of Government business requires a harmonious approach to all issues, adding that public servants are employees of the tax-paying public who high expectations of the services they deliver.

"In order to enhance and preserve the integrity of the Government in the eyes of the public, it is imperative that you act with honesty and impartiality. I urge you to avoid placing yourselves under any form of financial obligations to individuals or organisations that might seek to influence the performance of your official duties," said Ggoobi.

Speaking about good conduct, PSST also called upon the Planners to spearhead the fight against corruption in their respective MDAs and LGs.

"You are required to not only be on guard against corruption, abuse of office and influence peddling but also to actively participate in the fight against the vice," cautioned PSST,adding that it is baffling to learn that there are still ghost staff on government payroll and even ghost schools.

During the workshop, the Government Planners were equipped with skills and knowledge to undertake programme budgeting in line with NDP III and navigate the Program based Budgeting System (PBS) particularly on the enhanced modules for the Budget Framework Paper and quarterly reporting.

The Directorate of Budget also made a presentation on the budget strategy for fiscal year 2023/24.

The Acting Commissioner for Economic Development Policy and Research, Joseph Enyimu on behalf of the Director Economic Affairs said Planners have a duty to ensure that Government policy is grounded on sound development theory and ideology, adding that policy making should be evidence based (data driven) and Planners are expected to build MDALGs capacity in

MoFPED Under Secretary/ Accounting Officer, Dr.Sengonzi Damulira pledged to support Planners to be equiped with tools to do their work

decentralised development planning.

Enyimu noted that MoFPED expects from the Planners harmonised strategic/ development Plans, profiled and appraised investment opportunities, programmes and projects Performance reports arising from monitoring and evaluation exercises as well as Capacity building reports and MDALGs physical performance reports (PBS off generated).

What Planners said

The Planners in their submissions asked Government to consider pay enhancement for Planners as well as centralised retooling to equip them with working tools such as computers to enhance their efficiency.

They also noted the low staffing levels especially in Local Governments, which negatively impacts on their work, adding that recruitment of critical staff and provision of adequate wage provisions should be prioritised to stop the wage related supplementary requests.

> **"You are required to not only be on guard against corruption, abuse of office and influence peddling but also to actively participate in the fight against the vice"**

The Planners also said improvement in coordination between MDALGs will improve the planning function in government.

Planners training on Programme Based Budgeting at MAT ABACUS Business School in Kampala

Transition from vote based to programme based Medium Term Expenditure Framework

Hon Lugoloobi launching NDP III Midterm Review & End of NDP II end of term evaluation in Kampala

By Tagoole Ali

The major goal of public expenditure is for service delivery to lead to social economic transformation. In the recent past, there has been increasing demand for accountability for the public resources in terms of outcomes and impact.

Similarly, the public and civil society have put elected leaders and the public servants to task to account for the public resources from processes to outcomes or the extent to which the welfare of the population has been changed.

It is against this background that Government of Uganda transitioned from Output Based to Performance Based Budgeting in 2015. In addition to outputs, outcome indicators were identified at International, National, Sector and Vote level. However, noting that the attribution factors for outcomes are multi-dimensional, there was need for integrated and multi-sectoral approach to prioritization, planning and budgeting. This could not be achieved under the sector wide approach, due to the silo nature of sectors operating without coordination.

The above need triggered the transition to Programme Planning and Budgeting effective FY 2021/2022 to deliver the required results and address the 13 bottlenecks adopted by the African Union using the value chain approach.

However, the MTEF remained Vote based which affected allocative efficiency. This manifested in the recently, concluded Mid–Term Review of the NDPIII implementation which revealed that the overall NDPIII performance was at 17%.

Whereas the performance was to a large extent attributed to the Covid 19 pandemic; the incremental approach to resource allocation which tie resources to areas that have ceased to be priority and leave the priority areas unfunded or underfunded partly affected allocative efficiency.

The National Planning Authority therefore, undertook wide stakeholder consultations including the 20 Programme Working Groups under the leadership of Hon. Amos Lugoloobi, the Minister of State for Planning.

The review focused on the following areas:

i. *Assumptions of the plan after Covid 19;*
ii. *Macro-economic framework;*
iii. *Targets of the plan;*
iv. *Implementation arrangements;*
v. *Programme performance;*
vi. *Financing arrangements;*
vii. *Reprioritization of key interventions, projects and actions.*

The Programme Implementation Action Plans were reprioritized with a goal of retaining only actions that have high multiplier effect on the attainment of the NDPIII results and achievable within the projected resource envelope among others.

Criteria for Reprioritization of PIAPS

The reprioritization process retained actions which met the criteria below:

1. High multiplier effect on attainment of NDP III goals and objectives;
2. Improves household income and food security;
3. Supports economic resilience and operationalization of the PDM;
4. Contributes to implementation of Presidential Directives;
5. Improves Government Efficiency;
6. Fits within the available fiscal space;
7. Achievable by end of NDP III.

Whereas the formation of Programme Working Groups was aimed at facilitating prioritization, planning and budgeting, this was not being achieved under the

The National Planning Authority therefore, undertook wide stakeholder consultations including the 20 Programme Working Groups under the leadership of Hon. Amos Lugoloobi, the Minister of State for Planning

Vote Based Medium Term Expenditure Framework.

Therefore, following the reprioritization of the PIAPs, the Medium Term Expenditure Framework was reviewed and reprogrammed from Sector based to Programme based for FY 2023/24. Programme Working Groups were required to convene meetings, agree on the priorities and Vote level allocations for the FY 2023/24 based on the agreed priorities.

The transition is largely progressing well. All programme working groups have been able to agree on the priorities and Vote level allocations for FY 2023/24 and have submitted to the Ministry of Finance, Planning and Economic Development.

The process involved rationalizing resources from areas that have ceased to be priority to the priority areas agreed upon by the programme working groups. This was demonstrated by programs such as Private Sector Development.

Like any other reform, some hiccups are being experienced during the transition. However, the National Planning Authority and the Ministry of Finance, Planning and Economic Development are working closely with Programme Working Group leadership to ensure a smooth transition.

Hon. Lugoloobi flanked by NPA Chairperson Prof. Pamela Mbabazi chairing NDP III midterm review meeting at MoFPED

All programme working groups have been able to agree on the priorities and Vote level allocations for FY 2023/24 and have submitted to the Ministry of Finance, Planning and Economic Development

The reform is expected to improve the impact of public expenditure on the attainment of NDPIII results through:

- Promotion of holistic approach to addressing bottle necks to social economic transformation as illustrated in the figure below;

- Strengthening the alignment of actions and resources to NDPIII;

- Elimination of the silos approach to service delivery and enhancement of inter sectoral synergies.

The whole of Government/holistic approach to addressing the bottlenecks to service delivery requires that for every project or intervention, all the key players and pre-requisites for the full functionality of the project should be identified, planned, budgeted for and implemented to ensure full functionality or operationalization of the project.

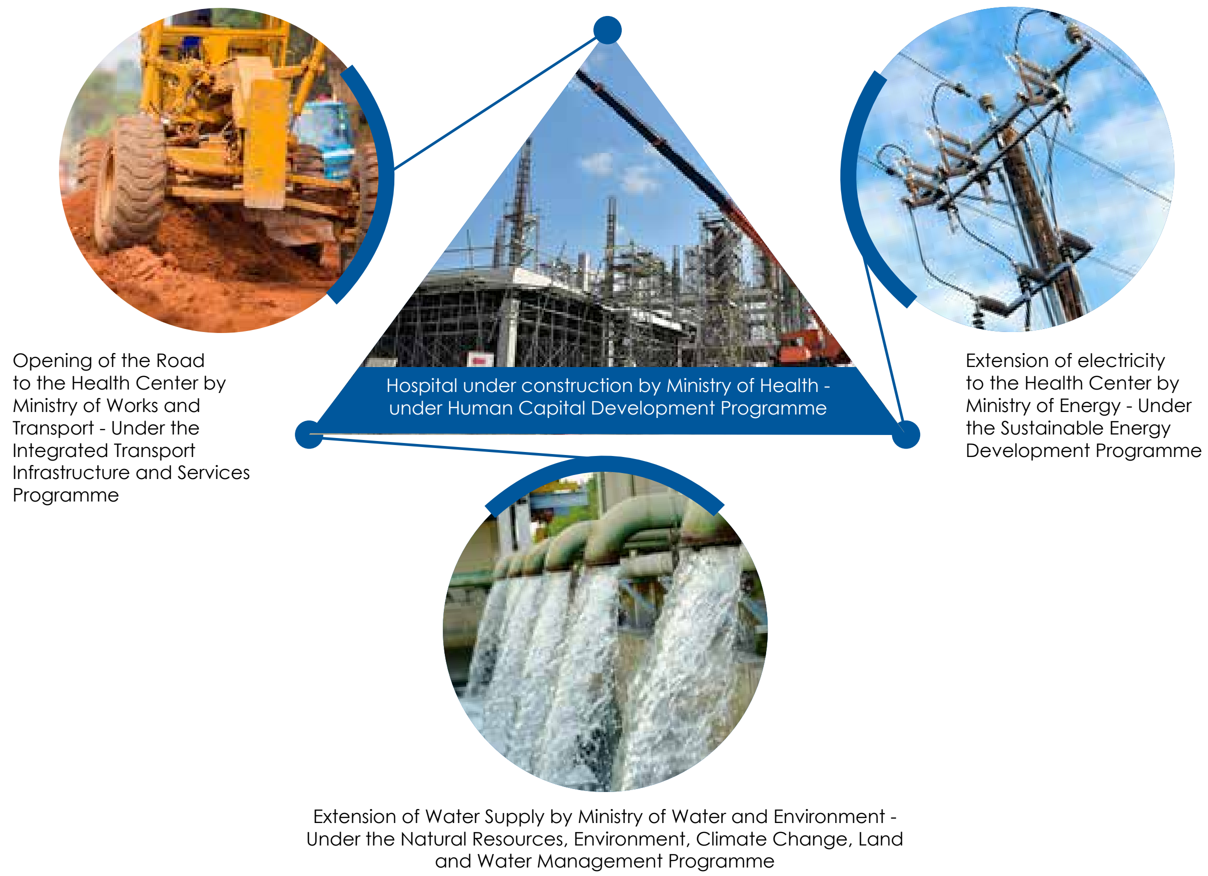
Figure.1 below illustrates the concept of integrated planning using the case of construction of health center project.

The Ministry wishes to thank all programme working groups for embracing the reform.

Experiencing inconveniences is part of any journey to greatness

The Writer is Assistant Commissioner, Budget Policy and Evaluation Department.

Figure.1 Integrated planning for a Health Center



Harnessing dividends from the Domestic Revenue Mobilization Strategy: How can this be achieved?

By Budget Monitoring and Accountability Unit (BMAU)

In Financial Year 2019/20, the Government of Uganda (GoU) developed the Domestic Revenue Mobilisation Strategy (DRMS) 2019-2024 to maximise revenue mobilisation.

The strategy's core objective is to improve revenue collection and raise Uganda's tax to Gross Domestic Product (GDP) ratio from 12.5% to 16%-18% within the five financial years. The revenue strategy over the third National Development Plan (NDP III) period envisages improving compliance and efficiency in tax revenue collections through the implementation of the DRMS.

Emphasis is on strengthening administrative efforts to narrow the gap between current and potential revenue performance. On the tax policy side, it is essential that tax reforms are carefully assessed, quantitatively analyzed, and openly debated. An increase in revenue would reduce the country's deficit and consequently her reliance on debt, thus keeping debt at sustainable levels.

The DRMS interventions are broadly geared to:

1) Raise additional revenues to support the government's budgetary position
.

PSST meeting staff of BMAU, 2nd left is Margaret Kakande, Head BMAU

2) Encourage a healthy flow of investment.

3) Address issues of fairness and transparency in the tax system.

In pursuit of this, five key stakeholders were tasked with the implementation and performance monitoring of the DRMS interventions. These include: The Permanent Secretary and Secretary to the Treasury (PSST), the Tax Policy Department (TPD), and the Budget Monitoring and Accountability Unit (BMAU), all under the Ministry of Finance, Planning and Economic Development (MoFPED); plus, the Uganda Revenue Authority (URA), and various Non-Tax Revenue collecting Ministries, Departments and Agencies.

To assess the DRMS's performance, a monitoring strategy with 112 indicators was formulated. It was anticipated that 80% of the indicators would be assessed by the BMAU. In this regard, the BMAU started tracking the implementation of the DRMS interventions and performance semi-annually, in FY 2020/21. This monitoring is conducted using performance indicators for Tax Policy and Tax Administration and is aimed at supporting the Government's efforts to improve its domestic revenue mobilisation efforts.

Performance of the DRMS

The DRMS comprises 80 interventions, of which 68 interventions were assessable directly. Of the 68 assessable interventions, 54 (80%) were assessed (30 under Tax Policy and 24 under Tax Administration) for the FY2021/22 annual monitoring exercise.

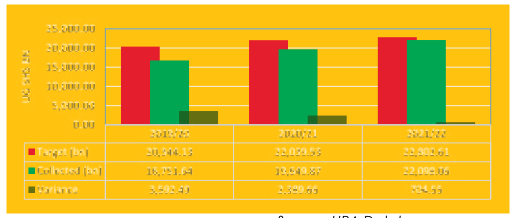
The DRMS interventions assessment recorded fair (60%) performance. Of the 54 interventions appraised; 14 (26%) were rated good, 26 (48%) rated fair, and 14 (26%) rated poor. Under Tax Policy, of the 30 interventions assessed, 7 were rated good, 13 fair, and 10 rated poor, while under Tax Administration of the 24 interventions assessed, 7 had a good performance, 13 fair and 4 poor.

It was noted that overall there is growing momentum for the DRMS in Government and the private sector. At least 80% of the Tax Administration interventions were being implemented and gradually taking shape.

For instance, uncollected tax reduced significantly, while there was growth in the number of active taxpayers and expansion in the taxpayer register. On the other hand, Tax Policy initiatives were promising with cautious responses amidst difficult prevailing economic times. For instance, initiatives were undertaken to address rental income tax and the extractives industry, specifically targeting the oil and gas sub-sector.

As the DRMS is currently in its third year of implementation, the tax collection target variance has significantly narrowed (by 80%) and there has been a growth in the overall collection effort (by 32%) (Figure 1).

Figure 1: Tax collection compared to target



Source: URA Database

However, the tax-to-GDP ratio continues to hover between 12.5% to 13% (Table 1). This is below the internal growth target of at least 0.5% per annum and lower than some of its counterparts in East Africa (i.e. in 2021 the tax to GDP was 17.7% for Rwanda and 16.8% for Kenya).

Table 1: Tax to GDP Ratio FY 2019 -2022

Financial Years	Tax to GDP Ratio (%)
2019	12.2
2020	11.4
2021	12.7
2022	13.0

Source: Authors' Compilation

For the country to achieve its intended revenue mobilisation objectives, there is a need to address the persistent constraints hindering the full implementation of the DRMS. As BMAU has continued to track the implementation of the DRMS, the following constraints have been noted: the low status of the Tax Policy Department within the MoFPED, generous tax incentives regime, ineffective taxation of the informal sector, low taxpayer compliance, delays in processing tax refunds, unreliable taxpayer database, ineffective arrears management, unassigned responsibility centres for some DRMS indicators, and lack of data for high-priority indicators.

If the DRMS is to achieve its core objectives in the remaining implementation period and exploit the country's growing revenue potential, it is imperative to adopt a more candid approach to addressing the above bottlenecks. There is also a need to ensure that all the interventions are being implemented as planned and that all the relevant stakeholders are fully engaged and aware of their responsibilities.

BMAU staff at meeting with PSST

Similarly, all unproductive revenue leakages must be reduced through improved analysis of policy measures and the promotion of a transparent and business-friendly tax administration environment to foster equity and fairness.

Recommendations

1. The MoFPED should enhance budgetary allocations to the Tax Policy Department to enable them to build the necessary capacity to effectively implement the DRMS intervention.

2. The URA should enhance the current taxpayer compliance initiatives and design a comprehensive package of reforms to address persistent non-compliance.

3. The National Information Technology Authority-Uganda and MoFPED should expedite the process of facilitating information access and exchange among key entities in the implementation of the DRMS.

4. The MoFPED/DRMS Focal Unit should urgently review essential interventions in the DRMS and allocate responsibility centres for their implementation and action.

5. The TPD should periodically conduct a cost-benefit analysis of tax expenditures especially tax exemptions for effectiveness.

Note: More information on the performance of the DRMS can be accessed from the DRMS Annual Monitoring Report FY2021/22, and BMAU Briefing Papers titled:

•*BMAU Briefing Paper 18/22: Implementation of the Domestic Revenue Mobilization Strategy: What are the limitations?*

•*BMAU Briefing Paper 19/22: Tax Expenditures: What are the options for sustainable investment attraction?*

https://www.finance.go.ug/publication/policy-briefing-papers-2021-22

NEWSBITS

HON ANITE PASSES OUT NATIONAL GENDER AND EQUITY TRAINERS

Minister of State for Privatisation and Investment,Evelyn Anite on 24th November,2022 officiated at the certification ceremony for the second cohort of National Gender and Equity budgeting trainers where 15 trainers of trainers were passed out.

The Public Finance Management Act (2015) makes it mandatory for Ministries, Departments and Agencies as well as Local Governments to budget for gender and equity responsive interventions and a certificate of compliance to gender and equity budgeting is issued by the Finance Minister on advise of the Equal Opportunities Commission.

“The NRM Government in its Manifesto, committed to consolidate the gains and accelerate progress in gender equality and women participation. We have improved participation of women in decision making at all levels, enacted various gender specific laws and upheld affirmative action clauses in the Constitution,” said Anite.

16 NEW INTERGRATED FINANCIAL MANAGEMENT SYSTEM SITES COMMISSIONED

The Government of Uganda recently rolled out IFMS to thirteen (13) District Local Governments, two (2) Regional referral Hospitals and one (1) University.

These are among the last batch of votes to be enrolled on IFMS. The Local Governments include Obongi, Terego, Kyotera, Bukomansimbi, Kwania, Karenga, Butebo, Nabilatuk and Namisindwa. The other sites are Yumbe and Kayunga regional referral hospitals and Lira regional Treasury Centre.

The IFMS is a Government of Uganda, IT based budget execution, accounting, and reporting system designed to facilitate financial management in government entities for efficient and effective delivery of services.

UTCL RECEIVES ASSETS FROM UTL

The Shareholders of Uganda Telecommunications Corporation Limited (UTCL) the new company received Assets (Infrastructure and businesses) from the old company, Uganda Telecom Limited-In administration.

Minister of State for Privatization and Investment,Evelyn Anite received the Assets on behalf of the Shareholders, Finance Minister and ICT and National Guidance Minister from UTL Administrator,Ruth Sebatindira.

UTCL will focus on providing superior internet of up to 5G+ grade, bespoke digital services and safe mobile money services.

DID YOU KNOW?

1 Following the adoption of the programme based approach to planning and budgeting effective FY 2021/22, a number of budget reforms have been implemented to facilitate the successful implementation of programme planning and budgeting. The most recent is the transition from sector based to programme based medium term expenditure framework effective FY 2023/24. This is aimed at breaking the silo approach to resource allocation by giving programmes the discretion to allocate resources in line with the reprioritised programme implementation action plans

2 The NDP III midterm review findings recommended the revision of results and reporting framework as regards to the indicators and targets to match the reprioritised budget. This reprioritisation is expected to trigger the recovery of the economy to attain inclusive growth, create employment and wealth through sustainable industrialisation

3 Uganda's private sector is comprised of over 90% Micro, Small and Medium Enterprises (MSMEs), majorly of which are informal enterprises. These are characterized by weak business management systems and small unsustainable operations, resulting in a weak Private Sector. Despite the high MSMEs start-up rates, they are also synonymous with high mortality rates. Most of the start-ups do not last more than two years. This is the reason Government has developed a National Business Development Services(BDS) Framework to strengthen the organizational and Institutional capacity of the private Sector

4 Printing money to finance the budget is extremely dangerous because money would be pumped into the economy without supporting production. This leads to immediate increase in demand without response from the supply side, which leads to inflation. The government of Uganda has avoided this kind of financing the budget

5 An infrastructure bond is a debt instrument issued by a Government or private organisation to raise funds from the capital markets for infrastructure projects. As opposed to the traditional objective of raising funds for general budget support purposes, with no specific project financing being earmarked at the time of raising the financing, the funds from infrastructure bond issuances are spent on particular on-going and/or new projects such as highways, sea-ports, railways, airport terminals, bridges, tunnels, pipelines etc. These bonds can be denominated in local or foreign currencies, such as USD or Euro

6 Remittances are transfers of money from the diaspora community for household income and investments in their home country. Uganda experienced a significant growth in remittances from USD 778 million in FY 2009/10 to USD 1.4 billion in FY 2019/20. Remittances declined to USD 1.1 billion in FY 2020/21, due to effects of the COVID-19 pandemic

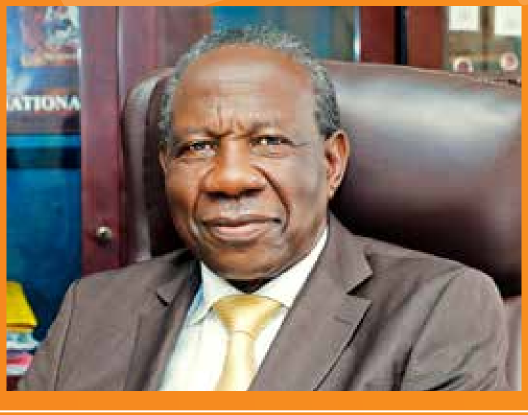
7 Public Private Partnerships (PPPs) is an arrangement between government and the private sector to provide goods and services which normally would have been provided by government. PPPs range from simple to very complex arrangements with explicit and implicit fiscal liabilities. PPPs are a sophisticated business that requires very specific and strong capabilities in negotiation, contractual and financial management, legal and technical skills to set the level of service and risk allocation/mitigation measures

8 External loans are a portion of a country's debt borrowed from foreign lenders including commercial banks, governments and bilateral or multilateral financial institutions. External loans are in two categories namely; concessional and non-concessional. Government prioritizes concessional loans as a preferred means of development finance because of their affordability compared to commercial loans

9 The Anti-Money Laundering Act, 2013 provides for the legal and institutional framework for the prohibition and prevention of money laundering, international cooperation in investigations, prosecution and other legal processes of prohibiting and preventing money laundering. The Act also provides for the establishment of the Financial Intelligence Authority (FIA) as the enforcement agency

10 Formal sector employment registered a decrease of 4% from 827,754 employees in October 2022 to 794,336 employees in November 2022. This was mainly due to late filing of returns by taxpayers. Migrant workers reduced by 38.2% from 7,963 migrant workers in October 2022 to 4,922 migrant workers in November 2022. This was due to the introduction of a certificate of good conduct as a requirement for issuance of Visa for domestic workers by the Saudi Arabian Embassy in Uganda. Relatedly, suspension of inspection and accreditation of foreign firms by the Ugandan embassy in Saudi Arabia due to financing challenges, reduced the number of migrant workers given that the Kingdom of Saudi Arabia is Uganda's main destination of migrant workers

QUOTE



"The Business Summit is evidence of the conducive business environment provided by the Government of Uganda to all Investors who choose Uganda for their Investments. Uganda's doors for investors from India are always open and are now open wider as we seek to increase the pace of Uganda's economic path to Industrialization," said Finance Minister Matia Kasaija at the Afro-India Investment Summit in Kampala

In its efforts to progressively improve governance, the Government of Uganda has undertaken wide-ranging Public Financial Management (PFM) reforms to ensure efficient, effective, and accountable use of public resources. Government of Uganda remains firmly committed to implementing ICT policies that will stimulate economic recovery, enhance productivity and competitiveness of enterprises, and most importantly, wealth creation and jobs for the ordinary Ugandans," said State Minister for Finance (General Duties) Henry Musasizi while launching the upgraded IFMS

"This isn't a mere change of guard; this is a fundamental change, from 31% shareholding to 100% shareholding. Thank you President Yoweri Kaguta Museveni for the moral and financial support," said State Minister for Privatisation and Investment Evelyn Anite after receiving Assets and Businesses from Uganda Telecom Limited in Administration (UTL) to Uganda Telecommunications Corporation Limited (UTCL)

"I am happy to learn that the National Service Delivery Survey (NSDS) 2020/2021 was conducted in all the regions of Uganda covering various sectors such as Education, Health, Agriculture, Infrastructure, Water and Sanitation, Energy, Justice, Law and Order and Public Sector Management and Accountability. I am hopeful and expectant that the results will mirror to us the availability, accessibility, cost and utilization of services by the citizens and their levels of satisfaction," said Minister of State for Planning,Amos Lugoloobi while launching the NSDS findings

"In accordance with section 100 of Tier 4 Microfinance Institutions (MFIs) and Moneylenders Act 2016, I have issued the Operational Guidelines for Self-Help Groups meant to streamline operations of these groups. I encourage all stakeholders to embrace these guidelines and all Ugandans to embrace the saving culture," said Minister of State for Microfinance,Hon.Haruna Kasolo while launching the Guidelines at the Uganda Media Centre

"As MoFPED top Management, we remain committed to supporting the ongoing PFM systems reforms. The long-term goal is to ensure improved public service delivery, sustainable and equitable socioeconomic transformation. The IFMS remains one of the key PFM reforms undertaken by GoU to enable efficient, effective, transparent, and accountable use of public resources," said PSST Ramathan Ggoobi at launch of upgraded IFMS

POLICY BRIEFS

1 Measures for boosting the revenue to GDP Ratio

Revenue to GDP ratio has grown from 6% in FY 1990/91 to 13.5% in FY 2021/22. The Economy is projected to grow at about 5.3% in FY 2022/23 with a projected revenue of 13.9%. This is however lower than the average revenue for Sub-Saharan Africa at 17%. The Domestic Revenue Mobilisation Strategy(DRMS) and NDP III puts Uganda's revenue potential at about 18% to 20%.

The bulk of revenues collected are from industry and services. Most of agriculture is subsistence and informal. Whereas it contributes about 24% of GDP, it contributes less 1% to tax revenue. Services is the largest contributor to total GDP and overall revenue. Industry contributes only 20% of GDP but is the most significant contributor to revenue (31.5%).

Some of the measures MoFPED is undertaking to boost revenue include; reviewing the Value Added Tax Act to realign clauses that are causing revenue losses, reviewing the Income Tax Act to realign international rules to global developments and best practices and also reviewing excise duty to effectively cover environmental taxes and taxation of plastics.

These and other policy stances including implementation of the tax expenditures governance framework as well as tax administration measures by Uganda Revenue Authority (enhancing human resources, strengthening systems to fight corruption, online processes etc.) will help in boosting the revenues.

2 Human Development Report

The COVID-19 pandemic negatively affected human development constitutive elements (income, health and education) worldwide.

The latest Human Development Report (HDR 2022) published by the United Nations Development Programme (UNDP) indicates that the global Human Development Index (HDI) value declined two years in a row, erasing the gains of the previous five years (from 0.737 in 2019 to 0.732 in 2021). Over 90% of the countries across the world registered a decline in the HDI value.

The report indicates that Uganda's Human Development Index stands at 0.525 as at 2021, a decline from 0.544 in 2019. The country is still classified in the low human development category, with a ranking at 166 out of 189 countries. Uganda and South Sudan registered the lowest HDI value compared to the other EAC countries (Kenya 0.575; Congo 0.571; Tanzania 0.549 and Rwanda 0.534).

Government has continued to prioritize the delivery of particular public services whose functions directly impact on human development outcomes. In FY 2022/23, Government appropriated Ushs 9.8 trillion to the Human Capital Development Programme accounting for the largest share (28.3%) of the total National Budget.

3 IMF Regional Economic Outlook - Sub-Saharan Africa

According to the International Monetary Fund (IMF), October 2022 Regional Economic Outlook, Sub-Saharan Africa's recovery has been interrupted. IMF highlights the worldwide slowdown, tighter global financial conditions, rising food and energy prices, global inflation as well as high levels of public debt.

In this regard, IMF recommends that policymakers should deal with immediate socioeconomic crises as they emerge to build resilience, high quality growth and sustainable recovery.

IMF notes that Sub-Saharan Africa faces four key policy priorities namely:

1) Addressing food insecurity: Policymakers should ideally allow global prices to pass through into domestic prices, and protect the most vulnerable through targeted cash transfers or an expansion of social safety nets.

2) Managing the shift in monetary policies by increasing policy rates gradually and cautiously, keeping a close eye on inflation expectations and the level of foreign exchange reserve.

3) Consolidating public finances amid tighter financial conditions by boosting revenue mobilization, prioritizing spending where possible, and increasing the efficiency of public spending while ensuring effective and transparent public debt management.

4) Setting the stage for sustainable and greener growth by investing in resilient green infrastructure to capitalize on the region's sizable endowment of renewable energy resources and leveraging private-sector innovation, activity and finance.

4 Promoting good Nutrition

Good nutrition is a catalyst for socioeconomic transformation and human development. There are several interconnected causes of child malnutrition in Uganda which include household food insecurity (mainly related to poor access to the range of foods needed for a diversified diet); Inadequate maternal & child care and poor access to health care; among others.

The Uganda Demographic Health Survey (UDHS) 2016 shows that the prevalence of stunting reduced from about 48% in 1988 to about 29% in 2016. The next results of the UDHS will be released in 2023. This current level of child stunting is categorized as "poor" in terms of its public health significance and is higher than the acceptable threshold of less than 20% for developing countries. As envisioned in NDP III, eliminating malnutrition in all its forms is critical in breaking the intergenerational cycle of poverty that propels underdevelopment.

To address the challenge of malnutrition in a systematic way, Government has continued to demonstrate commitment to alleviating malnutrition through a Multi-sectoral approach by bringing together stakeholders including Government Ministries, Local Governments, UN agencies, Multilateral and Bilateral Development Partners, CSOs, academia, Research institutions and the Private Sector with the Office of the Prime Minister (OPM) playing the overall coordination role

Government multi-sectoral efforts led to the development of the second Uganda Nutrition Action Plan (UNAP II) 2019- 2025. This UNAP II reflects Uganda's commitment to addressing high levels of malnutrition and translates into a single Common Results Framework (CRF) which is reflective of Uganda's commitment to national, regional and international commitments on nutrition.

Users of MoFPED ICT sub-systems score an average of 71.25% in IT Security Quiz 2022

By Leone Byereeta

During the year 2022, we had several IT Security communiques through the quarterly **MoFPED TIMES**. As part of the security education and training awareness campaign, a short IT security Quiz was shared on 8th December,2022 with all staff of the Ministry and other users of MoFPED ICT sub-systems like the IFMS,ISN,PBS,eGP,DAMFAS etc.

Cyber Security awareness is one of the most important aspects that everyone must handle in their day-to-day operations. This is the practice of protecting systems, programs and networks from digital attacks. These cyber-attacks are usually aimed at changing, accessing or destroying sensitive information, interrupting normal business processes, extorting money from users etc.

It should be noted that few users responded and submitted the answers to the questions set in the IT Security Quiz 2022, which covered most of the aspects that have been shared in **MOFPED TIMES** during 2022.

Below are the best choices/answers according to the security team:

Which one of the following is MOST likely to be a hoax?

A. An email from a friend you have not seen recently.
B. An email with an attachment sent by a colleague using their personal email address.
C. An email asking you to go to a website for a free computer scan. [Pass Rate 91.7%]
D. An email advertisement from a local shop you subscribe to.

You see a non-familiar face in the access-controlled areas of MoFPED offices, the person does not have the Staff ID or Visitors Tag with him or her. What would you do?

A. None of my business, let somebody else take care of it.
B. Ask the person to leave the facility.
C. Escort the person to the security and raise a security incident [Pass Rate 50%]
D. Raise a security incident and go back doing your work.
E. Scream and yell till the person leaves.

Which one of the following describes spam?

A. Gathering information about a person or organisation without their knowledge.
B. Performing an unauthorised, usually malicious, action such as erasing files.
C. Putting unnecessary load on the network by making copies of files.
D. Sending unwanted bulk messages. [Pass Rate 75%]

Three common controls used to protect the availability of information are:

A. Redundancy, backups and access controls [Pass Rate 29.2%]
B. Encryption, file permissions and access controls.
C. Access controls, logging and digital signatures.
D. Hashes, logging and backups.

Which one of the following describes a computer hacker?

A. A skilled programmer who uses authorised access to exploit information available on a computer.
B. A skilled programmer who secretly invades computers without authorization. [Pass Rate 91.7%]
C. A skilled programmer who writes programs to train new employees.
D. A skilled programmer who helps in the installation of new software for an organisation.

Which of the following is NOT a reason why IT security awareness training and/or bulletins is essential for MoFPED's Top Managers?

A. Corporate travel may expose the top managers to foreign government or commercial adversaries.
B. Greater access privileges make executives valuable targets for credential theft.
C. Executives are worse at retaining security basics than other employees. [Pass Rate 50%]
D. Cyber espionage campaigns exploit Top Managers who are privy to the Ministry's sensitive secrets and/or information.

Which one of the following is the reason that users should log on with a username and password?

A. To be aware of who is in the building.
B. To check up on the time-keeping of users.
C. To protect computers against unauthorised use. [Pass Rate 95.8%]
D. To enable a personalised greeting for each user.

Which one of the following statements about a password is TRUE?

A. It must be changed only if it is compromised.
B. It cannot contain special character symbols.
C. It must be registered with the system administrator.
D. It should be changed regularly. [Pass Rate 91.7%]

Why are humans still the weakest link despite IT security training and resources?

A. Threat actors spend their days thinking of new ways to exploit human vulnerabilities and are rewarded for their innovation.
B. Average people do not spend all their time thinking about security and may feel powerless in preventing attacks.
C. Cybersecurity practitioners may be the only people at their organizations who spend their workdays focused on prevention, protection and mitigation activities.
D. All of the above [Pass Rate 70.8%]

To trick users into falling for phishing emails, attackers exploit human psychology by triggering the following automatic responses in the brain.

A. Response to authority.
B. Response to scarcity.
C. Response to security.
D. Both A and B [Pass Rate 66.7%]

Stay Safe Online and Happy New Year!

The writer is Ag.Senior Systems Analyst/Programmer MIS,Accountant General's Office.

H.E President Museveni (with hat) officiated at the Afro-Indian Investment Summit in Kampala

Finance Minister Kasaija receiving United Kingdom Prime Minister's Trade Envoy Lord Dolar Popat in Kampala

Energy Minister,Nankabirwa (middle), State Minister for Minerals,Lokeris (left), MoFPED State Minister for General Duties, Hon.Musasizi (2nd right) and other officials at the 7th Uganda International Oil and Gas Summit in Kampala

Privatisation and Investment Minister, Hon.Evelyn Anite receiving Assets for the new company UTCL from Defunct UTL Administrator,Sebatindira at Telephone House

Hon.Musasizi bidding farewell to the Immediate past Ambasador of France to Uganda H.E Jules-Armand Aniambossou

Finance Minister Kasaija who was chief guest planting a tree during the 28th graduation ceremony of Uganda Martyrs University,Nkonzi

PSST Ggoobi at Budget Consultative workshop FY 2023/24 at Ridar hotel,Seeta

Minister of State for Microfinance, Hon.Haruna Kasolo flanked by PSST Ramathan Ggoobi and other Partners receiving a book from Dr.G.R.Chintala a Microfinance specialist from India at the Annual Conference on Microfinance and Savings Groups held on 19th-20th October 2022 at Hotel Africana, Kampala

PSST Ggoobi (middle) shares a moment with STI Minister Dr.Musenero during the National Science Week 2022 at Kololo

Hon.Lugoloobi (middle) speaking at Press conference to launch activities to mark the World at 8 billion people

Hon.Musasizi (3rd right) officiated at 2022 Financial Reporting Awards organised by Institute of Certified Public Accountants of Uganda

MoFPED team participated in the MTN Marathon 2022 dubbed "Run for Babies" to support neonatal & maternal health in selected health facilities in the country

MoFPED Acting Director for Debt & Cash Policy,Maris Wanyera (4th left seated) with AfDB Country Manager Augustine Ngafuan (5th left) and Project Coordinators at the 2022 Country Portfolio Performance Review workshop at Golden Tulip Canaan hotel,Kampala

Hon.Musasizi (middle) officiated at closing of the National HIV/AIDS symposium at MUBS

Finance Minister Kasaija hands over land title to AFREXIM BANK Chairman Dr Oramah for construction of regional headquarters of the Bank in Kampala

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NDP III PROGRAMMES AND CORRESPONDING LEAD VOTES

Programme/Sub-Programme code	Programme	Lead MDAs/VOTE
010000	Agro-Industrialization	MAAIF
020000	Mineral Development	MEMD
030000	Sustainable Petroleum Development	MEMD
040000	Manufacturing	MoTIC
050000	Tourism Development	MoTWA
060000	Natural Resources, Environment, Climate Change, Land and Water Management	MoWE
070000	Private Sector Development	MoFPED
080000	Sustainable Energy Development	MEMD
090000	Integrated Transport Infrastructure and Services	MoWT
100000	Sustainable Urbanization and Housing	MoLHUD
110000	Digital Transformation	MoICT&NG
120000	Human Capital Development	MoES
130000	Technology Transfer and Development	State House
140000	Public Sector Transformation	MoPS
150000	Community Mobilization and Mindset Change	MoGLSD
160000	Governance and Security	OP
170000	Regional Balanced Development	MoLG
180000	Development Plan Implementation	MoFPED
190000	Administration of Justice	Judiciary
200000	Legislature, Oversight and Representation	Parliament

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