



# **MOFPED TIMES**

*Privileged Insights*

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ISSUE No.12 July - Sept 2023

## **NATIONAL BUDGET CONFERENCE FY 2024/2025**

## **THE 14th NATIONAL COMPETITIVENESS FORUM**

## **7TH ECONOMIC GROWTH FORUM**

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# MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

## COVER PAGE



Cover Picture: Kyaligonza Aloysius (MoFPED)

## The 600MW Karuma Hydropower Project

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## Mission

To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to foster sustainable economic growth and development.



## Vision

A competitive Economy for National Development



## Values

- **Professionalism**  
We consistently demonstrate competence, knowledge, resourcefulness, quality, cooperation and a positive attitude, related to how we provide our professional services.
- **Result oriented**  
We embrace a goal-oriented culture that focuses on outcomes and drives accountability and growth.
- **Efficiency and effectiveness**  
We continuously seek effective and efficient ways to solve problems, better our services, and to remain fiscally responsible.  
  
We constantly demonstrate a commitment to be good stewards of the resources allocated to us, discover and apply safer, better, faster and more cost-efficient ways to provide the services.
- **Teamwork**  
We create effective working relationships with team members by treating others fairly, maintaining an approachable atmosphere, sustaining open and honest two-way communication, and involving others in decision-making processes when appropriate.
- **Integrity and Transparency**  
We conduct business honestly and ethically, expect and exemplify trust, respect, fairness and high character. We conduct ourselves with openness in all aspects of our work. We seek feedback from all stakeholders in order to achieve open communication and foster collaboration.
- **Innovativeness**  
We are driven by continuous improvement and unique cutting-edge concepts that optimize results by working better and smarter.

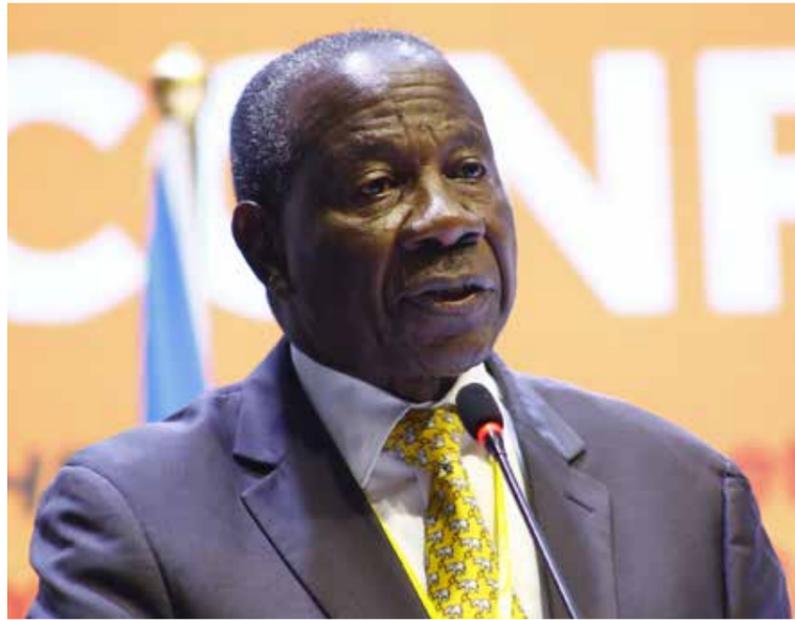
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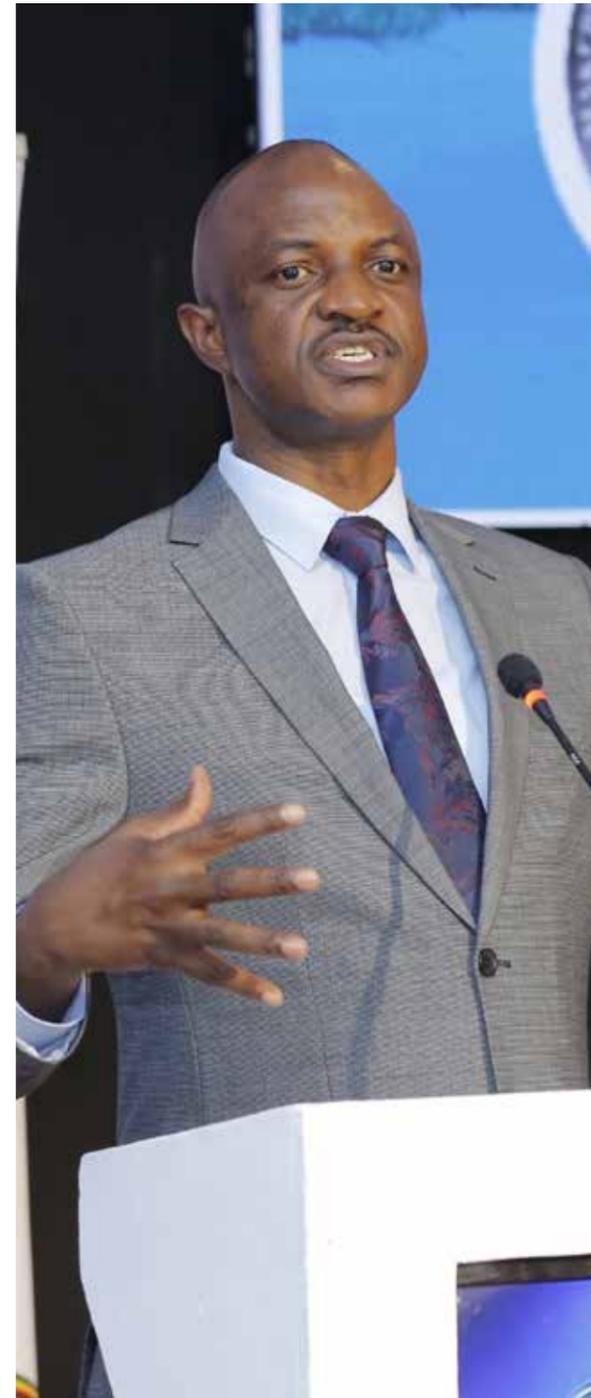
# Contents



PSST's Note	6
Editor's Note	10
Budget Execution Circular (BEC) FY 2023/24	12
Commentary	16
The 7th Economic Growth Forum	18
National Budget Conference FY 2024/2025	23
Pictorial National Budget Conference FY2024/25	27
Local Government Regional Budget Consultations FY 2024/25	31



The First Budget Call Circular For Financial Year 2024/2025	34
Pictorial	38
The 14th National Competitiveness Forum(NCF) Highlights	40
PSDU visits Private Sector Players	44
Explore Uganda	46
Pictorial	48



Newsbits	54
Did you know	56
Quote	58
Policy Briefs	60
Commentary	62
Tailgating; Is it a cybersecurity threat?	64
Pictorial	68



# Greetings

Hearty greetings to our esteemed stakeholders,

It's always a pleasure to communicate to you through this platform about the work we are doing at the Ministry of Finance, Planning and Economic Development.

First of all, we are delighted to note that Uganda's economy has continued to show remarkable resilience even in the face of domestic and external headwinds. We have arrested inflation and reduced it below the target of 5%, not because of good luck but proper coordination of policies.

Uganda's GDP grew by 5.3% last financial year, climbing from a slump of 3.5% in FY 2020/21. The economy is expected to grow at 6% this financial year and at about 7% next financial year which in itself represents a stunning economic and policy achievement. The pace of our recovery has exceeded even the most optimistic expectations.

According to the Africa Risk-Reward Index for 2023, by Oxford Economics, Uganda is East Africa's most rewarding economy to invest in and the top 3rd in the whole of Africa. We shall continue to provide a conducive environment for doing business in Uganda and making it very competitive.

We have started the Budget process for FY 2024/25 and the ultimate goal of next year's budget strategy is to accelerate economic growth through a shift from a raw-materials-based to a manufacturing and knowledge based economy.

As Government, we are not just focused on achieving a high top-line growth; but growth that is inclusive and green. Growth that will ensure job and wealth creation, improved household incomes, improved standards of living and ultimately socio-economic transformation.

We shall continue to pursue our fiscal consolidation agenda, this financial year by effectively implementing the domestic revenue mobilization strategy to enhance revenue collection, controlling expenditure to ensure efficiency and effectiveness, and reducing borrowing to ensure long-term debt sustainability. We are committed to turning challenges into opportunities.

Enjoy reading this Edition of the TIMES ■

*Ramathan Ggoobi*  
Permanent Secretary and Secretary to the Treasury

Ramathan Ggoobi  
Permanent Secretary and  
Secretary to the Treasury

Ministry of Finance,  
Planning and Economic  
Development

# Production line of SIMI phones at Namanve Industrial Park



# Our esteemed Stakeholders

Greetings from MoFPED,

I am delighted to share with you these Privileged Insights from MoFPED.

MoFPED is successfully executing the budget for FY 2023/24 and is equally engaged in the Budget preparation process for FY 2024/25.

In this 12th Edition of the TIMES, we share with you highlights of the National Budget Conference for FY 2024/25 and the 7th Economic Growth Forum.

This Issue also brings you the highlights of the Budget Execution Circular FY 2023/24 and the First Budget Call Circular FY 2024/25.

We also share updates from the Local Government Regional Budget Consultations FY 2024/25 and the Recommendations from the 14th National Competitive Forum.

Enjoy reading the MOFPED TIMES ■

*Apollo Munghinda*  
Principal Communications Officer

Apollo Munghinda  
Principal Communications  
Officer

Ministry of Finance,  
Planning and Economic  
Development

# BUDGET EXECUTION CIRCULAR (BEC) FY 2023/24

By MoFPED Comms Team

This Circular (BEC) was issued by the Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi on 10th July 2023, in fulfilment of Article 155 (1) of the Constitution, and Sections 13 (5) and 14 (1) of the Public Finance Management Act, 2015 (Amended).

The purpose of the circular to all Accounting Officers and Chief Executive Officers of State-Owned Enterprises and Public Corporations was to communicate the financial year (FY) 2023/2024 annual cash flow plan and the policy, operational and administrative guidelines for execution of the Budget in FY 2023/2024.

The PSST urged all Accounting Officers to ensure that all program activities contribute towards addressing completion of public investments with higher multiplier effects on attainment of NDP III and the NRM 2021-2026 Manifesto; Full scale implementation of the Parish Development Model (PDM); Enhanced revenue mobilization and collection as well as efficiency and effectiveness of government through rationalization of public expenditure.

"The purpose of the cash flow plan is to guide and ensure that government maintains sufficient liquidity to be able to sustain and make timely payments to meet service delivery requirements by aligning vote cash inflows and outflows to your respective program implementation action plans (PIAPs)," the PSST told the Accounting Officers.



It should be noted that the FY 2023/24 Budget allocations directed resources to program areas meant for enhanced socio-

economic transformation for all Ugandans through job and wealth creation, and increasing household incomes, by targeting the 39% of

**The PSST urged all Accounting Officers to ensure that all program activities contribute towards addressing completion of public investments with higher multiplier effects on attainment of NDP III...**

Ugandans still in the non-money economy.

In this regard, Accounting Officers were urged to adhere to policy directives that guided the preparation of the Budget for FY 2023/24 which include funding key government priorities to increase the momentum of socio-economic transformation and supporting initiatives to drive private sector growth.

Ggoobi also told Accounting Officers to ensure that all persons access the opportunities and benefits of the projects they implement without discrimination as enshrined in the Constitution and the Public Finance Management Act, 2015.

The PSST also guided that all contracts for works, goods and services shall be awarded in Uganda Shillings to hedge against cost overruns due to global forex rates fluctuations that impact on the stability of the shilling.

"Contracting in local currency is meant to preserve the sanctity and value of the shilling since the budget is appropriated in local currency which is easily convertible," said the PSST adding that even contracts that follow international competitive bidding procedures, shall be quoted in Uganda Shillings.

Regarding the issue of recruitment of staff, Accounting Officers were reminded not to recruit staff this financial year except on replacement basis or in case of incapacitation, or where the position was already filled before the payroll special audit and the wage bill was available.

The PSST also guided that funds returned to the Consolidated Fund will only be re-voted through a supplementary to the respective vote after confirmation by the Office of the Accountant General that the said funds were returned to the Consolidated Fund at the end of the financial year.

Accounting Officers were also

**Permanent Secretary/Secretary to the Treasury, Ramathan Ggoobi.**



Acting Director Budget, Ishmael Magona

urged to ensure that local service tax is remitted to the rightful local governments and for purposes of budget transparency, all information (quarterly releases, funds provided for projects, schools and health centres releases as well as local revenue and expenditure, pensions and gratuity etc.) should be displayed on notice boards for public awareness.

Local Government Accounting Officers were also notified that expenditure limits for local revenue shall continue to be issued by the Accountant General based on remittances to the Uganda Consolidated Fund.

To improve on monitoring and supervision of projects in Local Governments, the funds provided for this purpose should be used to monitor and supervise the projects under their respective jurisdictions. "Accounting Officers must ensure that all certificates for payment on construction works are certified by project engineers and pre-audited," said the PSST.

**“Contracting in local currency is meant to preserve the sanctity and value of the shilling since the budget is appropriated in local currency which is easily convertible,” said the PSST**

Ggoobi also requested Local Government Accounting Officers to undertake environmental and social screening for new projects guided by the issued environmental, social, safety and health safeguard guidelines (ESHS) for Local Governments.

"In view of the scarce resources, I urge you to exercise prudence while implementing your respective

budgets in order to ensure wealth and job creation for improved household incomes and overall economic recovery," said the PSST in his concluding statement.

**For more details on the BEC, visit our website: [www.finance.go.ug](http://www.finance.go.ug)**

# 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



By Apollo Munghinda

# PRIVATE SECTOR AND LIVELIHOODS TRANSFORMATION OPPORTUNITIES IN THE BUDGET FOR FY 2023/24

The budget for FY 2023/24 provides an opportunity for every Ugandan - a farmer; a trader; an industrialist; a professional service provider, the youth; the elderly; every woman and man in their various capacities to have a stake in the economic growth and development of Uganda.

Finance Minister, Matia Kasajja in the budget speech for FY 2023/24 in June 2023, delivered at Kololo Independence grounds dedicated the budget to those Ugandans who are working hard, day and night to expand and modernise the economy.

It should be noted that the overall goal of the budget for FY 2023/24 is to redirect more resources towards wealth creation by facilitating more Ugandans to join the money economy and accelerate the rapid expansion of the economy.

It is interesting to note that the economy has remained resilient despite facing a series of shocks, and is on a steady recovery path. For the first time in about 15 months, inflation has dropped to 3.9% for July 2023 due to falling commodity prices. The Ministry of Finance and Bank of Uganda have continued to work closely to maintain macroeconomic stability

with a well-coordinated fiscal and monetary policy.

If we can recall, after the budget speech reading, there were many debates by commentators in various media spaces as to whether this was 'a pro-people budget,' with some casting doubt on the commitment to prioritise resources to the wellbeing of Ugandans amidst competing priorities more so when the economy was just recovering from economic shocks occasioned by COVID-19.

**But what are some of the pro-people opportunities in the budget for FY 2023/24?**

## The Parish Development Model (PDM)

As at the end of National Development Plan two (NDP II), 69% of Ugandans had transitioned into the money economy leaving 39% in the subsistence economy. Government is now focusing on effective implementation of the Parish Development Model (PDM) to lift the 39% of Ugandans from the subsistence economy into the money economy.

A total of Shs 1 trillion and 59 billion was provided for in the budget for

FY 2022/23 for the PDM SACCOs and another Shs 1.1 trillion has been provided in the budget for FY 2023/24.

The Finance Ministry which is responsible for Pillar 3 of the PDM (Financial inclusion) has already successfully disbursed the 100 million shillings to 10,585 PDM SACCOs across the country.

Government has also provided Shs 5.3 billion to cater for loan processing fees to save the PDM beneficiaries from this cost. This will be disbursed to all PDM SACCOs.

In addition, Shs 12.7 billion has been set aside to cater for office accommodation of the Parish chiefs and other operational costs. Many target beneficiaries across the country have already accessed the PDM money and are using it to improve their livelihoods.

During my recent trip to Butaleja District in Eastern Uganda, some beneficiaries who have chosen to rear local chicken could not hide their excitement about the PDM initiative. "I thank President Museveni for thinking about us, and supporting us to fight poverty. He has all our support," said Joab Higenyi one of the PDM beneficiaries.

## Support to Economic and Business Recovery Funds

The budget has also prioritised supporting the private sector to access affordable and patient capital through Uganda Development Bank (UDB), Agricultural Credit Facility (ACF), Emyooga, Small Business Recovery Fund (SBRF) and Microfinance Support Centre. A total of Shs.2.7 trillion is available under these initiatives.

The Investment for Industrial Transformation and Employment Project (INVITE) grant of USD 218 million (about Shs 800 billion) is expected to mitigate the effects of COVID-19 on private sector investment and employment and support new economic opportunities through manufacturing, value addition and export in strategic sectors.

Besides INVITE, government recently rolled out a grant for Generating Growth Opportunities and Productivity for Women Enterprises (GROW Project) worth USD 217 million (Shs 800 billion) which will ultimately, ease access to capital by women entrepreneurs among other opportunities. This financial year, a total of Shs 112.7 billion is available in the budget.

Government has also earmarked Shs 176 billion for road maintenance in all the districts. In line with the local content policy, the biggest share of this budget is expected to go to the local contractors. This means, local contractors should be prepared to exploit this opportunity by ensuring that they are fully registered, tax compliant and with competent workers who are closely supervised to produce quality work.

## Opportunities for Special Interest Groups

Under the Ministry of Gender, government has set aside Shs 20 billion to enhance women participation in development, Shs 139 billion for empowerment and protection of People With Disabilities (PWDs) and the elderly, Shs 4 billion for promotion of Arts and Crafts as well as Shs 10.8 billion for empowerment and protection of youth and children.

## e-government interventions

World over, ICT has played a critical role in improving service delivery by facilitating automation of business processes and real-time exchange of information thereby reducing the process turnaround time and cost of doing business.

As such, Government is currently implementing the e-government policy to improve government effectiveness, create opportunities for the youth and facilitate access to domestic and global markets.

Accordingly, about Shs 96 billion has been earmarked in the FY 2023/24 budget under the National Information Technology Authority, for extension of the national backbone last mile connectivity to government institutions such as schools and health centres, parishes and other key public places such as markets.

Ugandans, especially the youth can exploit the opportunities resulting from the above digital transformation investments by using ICT platforms for skill enhancement, knowledge transfers, innovation and wealth creation.

## Indirect opportunities

Besides the above direct opportunities, the budget also contains indirect opportunities

**Government has also earmarked Shs 176 billion for road maintenance in all the districts. In line with the local content policy, the biggest share of this budget is expected to go to the local contractors.**

that can only be exploited by those who are prepared for them. For example, Ministry of Works has over Shs 1 trillion for transport infrastructure development projects normally implemented through outsourcing of competent contractors, service providers and consultants.

Similar opportunities are also available in the Ministries of Education, Agriculture and Energy among others, but can only be exploited by the prepared Ugandans. Whereas, some local contractors often complain about award of contracts to foreign

firms, in many cases, this is due to inadequate preparations during the bidding process and breach of contract terms during execution by the local Contractors awarded contracts which undermines their competitiveness.

## Pro-people fiscal and monetary Policy measures

In order to support and accelerate private sector led economic recovery, government did not introduce new taxes in the budget, but rather amended existing tax measures to harmonise and improve tax administration and domestic revenue mobilisation efforts.

Government has also cut down on domestic borrowing so that the private sector can continue to access affordable credit. In order for Ugandans to fully exploit the above opportunities government is investing heavily in its people. In the budget for FY 2023/24, an allocation of Shs 9.6 trillion has been provided for human capital development (health, education and water) to accelerate improvements in healthcare and learning outcomes, including skilling of Ugandans for the job market and overall improvement in the standard of living.

All the above will be anchored on

**Government has also earmarked Shs 176 billion for road maintenance in all the districts. In line with the local content policy, the biggest share of this budget is expected to go to the local contractors.**

continued investment in peace and security which are the bedrock for socio-economic transformation. The fiscal outlook for Uganda remains positive and the future looks bright. Ugandans have a duty to support and embrace the numerous opportunities created to quickly accelerate economic recovery and also speed up the growth of the productive sectors of the economy to create more jobs and wealth.

**The writer is a Principal Communications Officer, Ministry of Finance, Planning and Economic Development**

# THE 7TH ECONOMIC GROWTH FORUM

By MoFPED Comms Team



Hon. Amos Lugoloobi, Minister of State for Planning.

The Ministry of Finance, Planning and Economic Development, together with International Growth Center hosted the 7th high level Economic Growth Forum (EGF) under the theme: **Strengthening Uganda's Competitiveness to Foster Accelerated Economic Growth** on 24th & 25th August, 2023, at Kampala Serena Hotel.

The Forum brought together experts from various fields who facilitated knowledge sharing and debate on how to secure a sustainable future for the people of Uganda.

The discussions at the 7th EGF focused on Global Economic Developments and Economic growth in Uganda; Domestic Revenue Mobilization; Boosting Exports & Firm productivity; Climate Change and Growth as well as Technology as a driver of Productivity and Growth.

The Minister of State for Planning Amos Lugoloobi who opened the Forum on behalf of Finance Minister Matia Kasaija said Uganda's economy is now on the recovery path from the effects of Covid-19.

"One of the major drivers of this

recovery has been continued government support to the private sector through various programs like Emyooga, Small business recovery fund, continued funding to Uganda Development Bank as well as support to development of necessary infrastructure like road, industrial parks and electricity," said the Minister.

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi in his remarks on strengthening Uganda's competitiveness to foster accelerated economic growth said Uganda is not just focused on achieving high top-line growth; but growth that is inclusive and green.

"Uganda's economy continues to show remarkable resilience even in the face of significant domestic and external headwinds. We've arrested inflation and reduced it to below the target. This has happened not because of good luck. It has reduced because of our well-coordinated policies that targeted the causes and addressed them," said the PSST.

He said government has avoided new taxes, kept exports and imports flowing, worked hard to reduce short-term interest rates and desisted the temptation of replacing consumer preferences with planner preferences. Ggoobi said government has also avoided populist policies and responded to the mounting risk of climate change.

Speaking about Uganda's economic growth performance pre and post Covid-19: challenges and opportunities - new sources for growth, the Commissioner Macro-Economic Policy at the Finance Ministry Dr. Albert Musisi said although Uganda's economic growth has been above the Sub-Saharan average growth at (3%), it's below what was achieved in the previous decades.

Musisi said economic growth over the last 30 years (1993/94-2022/23) has averaged at 6.6% but has slowed down to 4.7% in the recent years.

Dr. Albert Musisi, Commissioner Macro-Economic Policy at MoFPED



He however, noted that Uganda (with 7.5% projected growth) is among the 5 Countries including China (5.82%), Vietnam (5.56%), Indonesia (5.64%) and Tanzania (5.87%) projected to be the fastest growing economies in this decade by researchers at the Growth Lab at Harvard University.

## Uganda's economy continues to show remarkable resilience even in the face of significant domestic and external headwinds.

### Global Economic Developments and Economic growth in Uganda

It was noted at the Forum that economic growth had in the last decade slowed and some of the binding constraints include; low productivity in key production sectors characterized by reliance on subsistence production in agriculture and low productive sectors, increased exports-dominated by primary products-vulnerable to world market prices and climate change.

Other constraints include; internal and external shocks including climate change, costly local and foreign finance and public sector inefficiencies and ineffectiveness with inadequate coordination between government ministries, agents and departments.

Some of the policy solutions suggested at the Forum include; enhancing domestic revenue mobilization, managing climate change volatility, merging agencies that have related functions and effective monetary policy management to maintain price stability and favorable investment environment in addition to coordination between monetary and fiscal policy.

### Domestic Revenue Mobilization

The Minister of State for General Duties, Henry Musasizi led the discussion on revenue mobilization with a special focus

on mobilizing finance for economic development in Uganda.

He highlighted the low tax revenue to GDP averaging to 13.8% for Uganda, adding that compared to some African countries, Uganda's tax revenue to GDP is among the least only above Tanzania.

Key policy proposals recommended to enhance tax revenue include; Use of modern technology to enhance VAT collection, collection of relevant information to inform the nature of taxes, removal of VAT exemptions and restricting the deemed VAT regime to only extractive sector as well as charging optimum taxes/ considering minimum lower tax rate and improving tax administration.

### Boosting Exports and Firm Productivity

On trade and growth in Uganda, it was noted that up to 25% of Uganda's per capita growth is due to imports of new varieties of goods. Services account for a larger share of employment and value addition and contributes to productivity more than manufacturing. It was also noted

## Although Uganda's economic growth has been above the Sub-Saharan average growth at (3%), it's below what was achieved in the previous decades.

that across all sectors, many firms are net importers.

A number of trade opportunities to exploit for Uganda were identified and these include; Uganda being a member to many regional

trade arrangements, such as EAC, AfCFTA and SADC.

It was recommended at the Forum that government should facilitate inward foreign direct investment (FDI) including FDI in services to improve access to services inputs, in addition to improving collaboration between government agencies and investors to identify opportunities for Ugandan firms to contribute higher value-added activities in multinational supply chains.

Government was also encouraged to intensify implementation of trade facilitation initiatives to reduce trade costs for firms, work with exporters to identify non-tariff measures and regulatory regimes that impede trade, including regionally – e.g., rules of origin; data protection regulation in addition to participating in trade promoting international initiatives (e.g. e-commerce in World Trade Organization (WTO)).

### Climate change

It was agreed at the Forum that adapting to climate change and mitigating its impacts are inseparably linked to achieving sustainable economic growth and poverty reduction.

Uganda's GDP has been negatively impacted in the past and estimated future impacts are also significant. Productivity has reduced because of lives and finances lost. Climate change affects public finances - by increasing government expenditure and public debt in addition to

reducing government revenues.

To stabilize climate change, global collective action was recommended and all countries must contribute to net zero. Other options include; Investing in climate



Acting Director Economic Affairs, Moses Kaggwa at the 7th EGF

smart infrastructure, making financing options more accessible, investing in early warning systems and setting up a dedicated climate fund.

### Technology as a driver of Productivity

To harness technology as a driver for productivity and growth, it was recommended that Uganda should fast-track reducing the cost of internet to facilitate trade, avoid internet shutdowns and also facilitate procedures for certification of ICT goods in addition to avoiding blocking of commercial web content among other measures.

Lastly, discussions on **transition to the monetary economy: Leveraging the Parish Development Model** focused on moving the 39% of the households from the subsistence economy into the

money economy.

It was noted that connecting farmers to market opportunities and value chains was very critical in empowering the farmers in addition to leveraging extension officers in supporting farmers and farmer groups to have concrete action plans.

It was agreed that households are key in decision making and planning to ensure that interventions are tailored to their needs to foster ownership and commitment.

## It was agreed at the Forum that adapting to climate change and mitigating its impacts are inseparably linked to achieving sustainable economic growth and poverty reduction.

The 7th Economic Growth Forum was closed by the Minister of State for General Duties, Henry Musasizi who said Uganda's economic blue print must reflect its aspirations for a competitive and dynamic nation.

"To seize the opportunities of a rapidly changing landscape, we must cultivate an environment that fosters innovation, efficiency and adaptability," said Musasizi adding that Uganda possess an array of competitive strengths, ranging from its vibrant industrial spirit to its rich natural resources.

## What others said at the 7th EGF



*“Uganda launched the Parish Development Model, which is aimed at shifting those in the subsistence economy to the money led economy. This is very crucial for Uganda to improve its economic status and promote equal development,” said Dr. Jonathan Leape, Executive Director, International Growth Centre.*



*“Inclusive economic growth is the only route to achieving sustained poverty reduction and to improve the human welfare. Taxation provides funds for public goods and services and is a key component of the social contract,” said Twivwe Siwale, the head of Tax for Growth at International Growth Centre.*



*“You need an elite bargain that involves shared commitment to growth and development among the elite,” said Prof. Stefan Dercon of the University of Oxford regarding growth and development through a development bargain.*



*“Digital trade is an expanding part of the global economy. This offers new opportunities for growth to Uganda, but also poses a risk of being left behind,” said Dr. Martina Ferracane, Research Fellow at the Robert Schuman Centre for Advanced Studies, European University Institute.*

# NATIONAL BUDGET CONFERENCE FY 2024/2025

By MoFPED Comms Team



Prime Minister Robinah Nabbanja

The National Budget conference for FY 2024/25 was organised in accordance with Section 13(1-2) of the Public Finance Management Act, 2015 (as amended) which requires the budget of a financial year to be prepared in consultation with relevant stakeholders.

The National Budget Conference was presided over by the Prime Minister Robinah Nabbanja who said Government with the support of Development Partners, Private Sector and Civil Society has put in place a conducive environment and key interventions to drive the desired economic growth.

“As guided by H.E the President, during the Budget Speech for this Financial Year 2023/2024, the target is to grow our economy to USD 55.5 billion by the end of this fiscal year,” said the Premier.

She called upon all the stakeholders to fully and actively participate in the budget preparation process for next financial year to ensure full buy-in and ownership, adding that government will continue to guarantee the desired peace and security.

Finance Minister Matia Kasajja had earlier in his welcome remarks said

next financial year 2024/2025 will be the last year of implementation of the National Development Plan 3 (NDP3), adding that the recommendations of the Plan's mid-term review had been taken into account to achieve the objectives and overall goal of the Plan.

The Finance Minister Matia Kasajja unveiled the Budget Strategy for FY 2024/2025 which outlines interventions required to achieve faster socio-economic transformation of Uganda. It is anchored on the objectives of the Third National Development Plan (NDP3), NRM Manifesto 2021 – 2025 and accelerating economic growth to expand the size of the economy to US\$ 500 billion in the medium term.

The Theme for the FY2024/25 budget remains the same as that for the current financial year, which is: **“Full Monetization of Uganda's Economy Through: Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access”**

“The ultimate goal of the Budget Strategy for FY 2024/2025 is to accelerate economic growth to at least 7% in the medium term with the ultimate goal of building an independent, integrated, and self-sustaining economy,” said the Finance Minister, adding that this will involve transitioning from a raw-materials-based to a manufacturing and knowledge-based economy; as well as improve the environment of doing business in Uganda and making it competitive.



Finance Minister Matia Kasaija

The Minister said during next financial year, the process of repurposing the budget will continue to provide resources to high impact growth areas while consolidating economic recovery and resilience, as well as implementing measures to mitigate the negative effects of climate change.

To achieve the strategic objectives of accelerating economic growth, faster socio-economic transformation, increasing the size of the economy to US\$ 500 billion in the next 15 years, the budget for financial year 2024/25 will focus on building an integrated, independent and self-sustaining economy through ensuring security,

good governance and the rule of law which are the bedrock of sustainable economic growth and socio-economic transformation.

Other areas of focus will be; Maintaining macroeconomic stability; boosting household incomes and microenterprises through effective implementation of all the 7 pillars of the Parish Development Model (PDM).

**Other priorities include:**

Commercializing agriculture to enhance production and productivity and improve competitiveness of agricultural products; development of oil and gas industry; development of the Mineral Sector and undertaking specific and deliberate investments in the tourism sector.

**“Full Monetization of Uganda’s Economy Through: Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access”**

**PRELIMINARY RESOURCE ENVELOPE FOR FY 2024/2025**

The Finance Minister said the preliminary domestic revenue is projected to increase to **UShs. 29,957.9 billion** in FY2024/25 from **UShs. 29,672.3 billion**.

The total resource envelope for FY2024/25 amounts to **UShs. 52,722.7 billion**. Due to the large debt servicing costs, the GOU resources available for allocation have reduced to **UShs. 21,734.2 billion** for FY2024/25, from **UShs 25,205.2 billion** this financial year.

He said funding the intervention areas of the Budget Strategy for FY 2024/2025 will require deepening the Fiscal Consolidation Agenda which entails effective implementation of the Domestic Revenue Mobilization Strategy (DRMS) to enhance revenue collection; fiscal adjustments to generate higher growth; reducing wasteful expenditures, through repurposing the large public administration budget; reducing borrowing, particularly from domestic resources and external commercial loans and improving efficiency in the execution of projects and public investments.

Government will also implement the Public Investment Financing Strategy (PIFS) to diversify development financing options and ensure debt sustainability.

Government will also support private sector growth by providing affordable credit, continue investing in the people of Uganda through education, health and social protections measures and revamping the stock and quality of infrastructure.

The Finance Minister said government will also put in place effective frameworks for strategic interventions in innovation, and research & development; Implement measures to improve the efficiency, effectiveness, coordination and productivity of the public sector and public expenditure, including conclusion of the rationalization exercise of MDAs.

Government will in FY 2024/25 continue investments in industrial parks and energy transmission to support private sector activity; continue deepening of regional integration to boost growth in trade and exports; implement Climate Change interventions to mitigate its adverse effects and ensure value addition to raw primary commodities and improve standards.

**Government will also support private sector growth by providing affordable credit, continue investing in the people of Uganda...**



Participants at the Budget Conference FY2024/25

Some of the issues raised by the stakeholders at the National Budget Conference for FY 2024/25 include: fast-tracking rationalisation of government, establishing the salary review commission to harmonise salaries of public servants and more investment in domestic revenue mobilisation.

The stakeholders also want government to reduce borrowing and wasteful expenditure, establish a monitoring framework for tax expenditures, adherence to climate change financing, service standards and a price list for goods and services to curb exorbitant pricing and corruption.

The President of the Uganda Local Government Association (ULGA), Richard Rwabuhinga called for increased funding to local governments and also requested

government to address the staffing gaps in local governments to improve service delivery.

The Prime Minister Robinah Nabbanja while closing the National Budget Conference on behalf of H.E President, Yoweri Museveni said attaining the goal of the Budget for FY 2024/25 will require doing business in a different way, including ensuring accountability, fighting corruption, improving coordination of government programs and improving effectiveness of government.

“Achieving these goals will require financial discipline, and avoiding spending our scarce resources on consumptive expenditure. We have to act smart and deliberately if we are to overcome the global challenges we are facing today,” said the Prime Minister.



**“Achieving these goals will require financial discipline, and avoiding spending our scarce resources on consumptive expenditure. We have to act smart and deliberately if we are to overcome the global challenges we are facing today,” said the Prime Minister.**



Finance Minister receiving Prime Minister at the Budget Conference



PSST Ggoobi consulting Finance Minister at the Budget Conference



Auditor General Muwanga (R), DPP Abodo and other guests at the Budget Conference



State Minister for Planning Hon.Lugoloobi,URA Commissioner General,Musinguzi Rujoki with other guests share light moment at Budget Conference.



Ministers of State (Front row) at Budget Conference



MoFPED Top technical team at the conference



PS Local Government, Ben Kumumanya shares a moment with a Development Partner at the conference



Director Public Prosecutions, Abodo, Auditor General Muwanga share light moment with other guest at the Budget Conference

# LOCAL GOVERNMENT REGIONAL BUDGET CONSULTATIONS FY 2024/25

By MoFPED Comms Team



Minister of State for Microfinance Haruna Kasolo (standing) flanked by Acting Director Financial Mgt services Ssemugoma (L) & Commissioner Ashaba officiating at LG Regional Budget Workshops FY 2024/25 at Masaka

The Local Government Regional Budget Consultations across the country (18th September to 6th October, 2023) followed the National Budget Conference held on 14th September 2023 to commence the budget preparation process for FY 2024/25 in line with Section 13 (2) of the Public Finance Management Act, 2015 (as amended).

At these engagements in Arua, Gulu, Lira, Mbale, Hoima, Fort Portal, Mbarara, Masaka, Jinja and Ridar Hotel, Seeta, the Finance Minister Matia Kasaija in his statement delivered on his behalf by Ministers of State and the top technical staff communicated the Government's budget strategy and priorities for FY 2024/25 as well as the indicative planning figures and grant programme guidelines

to facilitate the preparation of the budget for FY 2024/25.

It was also a platform for discussing investment priorities to facilitate the development growth strategies and budget implementation challenges affecting service delivery among other issues.

The Finance Minister said the Budget for FY 2024/25 seeks to

accelerate economic growth by at least 6.5% and 7% over the medium term from a raw-materials-based to a manufacturing and knowledge-based economy; as well as improving the ease of doing business in Uganda and making it competitive.

The Minister highlighted the budget priorities for next financial year and these include: Agricultural production and value addition, Climate Change and management of food security, Implementation of the Parish Development Model, Consolidating infrastructure development, Security and Governance as well as Human Capital Development among others.

"I request you to strengthen your revenue administration and collection enhancement measures through automation of processes and having in place the right

policies, by-laws and ordinances that promote local revenue enhancement," said the Minister.

He also implored Local Government Leaders who included LCV Chairpersons, Resident District Commissioners and Chief Adminis-

**"I request you to strengthen your revenue administration and collection enhancement measures through automation of processes and having in place the right policies, by-laws and ordinances that promote local revenue enhancement," said the Minister.**

trative Officers to embrace efforts towards the implementation of the Parish Development Model.

The Local Government Leaders across the country also received and discussed presentations by

various Ministries, Departments and Agencies on Local Economic Development and progress on implementation of the Parish Development Model, Access to affordable credit under the Agriculture Credit Facility and Small Business Recovery Fund.

Other presentations were on measures for enhancing local revenue performance, strengthening the fight against financial crime and integrating growth opportunities through the NDP/III programme approach.

**Feedback on issues raised during budget consultations for FY 2023/24 and National Budget Conference FY 2024/25**

The Finance Minister said Government has addressed a number of issues raised during last financial year consultation workshops in this current budget for FY 2023/24, while some others that required additional funding and could not be addressed will be prioritized in FY 2024/25.

Regarding the low share of funding for decentralized services, the Minister said adequate financing for service delivery is critical, and the Government will continue addressing this concern in a phased manner.

He said the funding shortfalls for ex-gratia and production grant has been addressed through a supplementary based on reported shortfalls and guidance by the Ministry of Local Government, adding that these funds will be released in the second quarter of FY 2023/24.

On rationalization of funds appropriated in central government Ministries, Departments and Agencies for decentralized services, the Minister said these funds will be streamlined in the respective Local Government votes starting FY 2024/25 in order to ensure efficiency and limit duplication of efforts.

**Other recommendations from Local Government Leaders:**

1. Affirmative actions need to be implemented to empower the boy child as the current trend is likely to breed irresponsible husbands for the well empowered girl child.
2. The success of the Parish Development Model (PDM) requires identification of role models/demonstrators who can encourage others to succeed.
3. The formula for Uganda Road Fund (URF) allocations should take into consideration the uniqueness of the terrains which have a significant impact on the unit cost.
4. The school designs for Karamoja region should always provide for dormitories and staff houses because the security situation is not favourable for school going children to commute from homes.
5. Government should provide reliable internet connectivity in Karamoja and Sebei regions to ensure effective implementation of the Parish Development Model and other service delivery needs.



Acting Director Debt and Cash Policy, Maris Wanyera represented Finance Minister in Mbale

**Challenges faced by Local Governments that should be addressed**

Local governments highlighted a number of challenges affecting service delivery and these include: Inadequate budget allocations, uncoordinated directives from the central government, failure to remit local service tax to places where employees reside, delayed operationalization of new administrative units and low uptake of Agricultural Credit Fund and Small Business Recovery Fund due to lack of the necessary information.

Other challenges noted include; inadequate staffing, late release of funds to local governments, slow implementation of projects due to hybrid procurement processes and lack of funds for supervision and monitoring projects like PDM and Emyooga and slow adoption of automation and digitization in local government and limited understanding of programme based planning and budgeting among others

**Recommendations**

The Civil Society Organizations (CSOs) in their statement applauded government for engaging

various stakeholders in the Local Government Budget Consultations, adding that these engagements offer an opportunity to identify key priority service delivery areas that require consideration when allocating resources to Local Governments.

The Civil society asked government to expedite the renovation of dilapidated schools and health infrastructure, prioritize routine maintenance of community access roads and also support local

governments to enhance local revenue mobilization and management by ensuring that they have revenue registers and registered tax payers.

They also want government to partner with the private sector on issues of managing the environment and climate change and also use the savings on the government of Uganda wage bill after payroll verification to prioritize filling critical staffing positions in Local Governments.



Internal Auditor General Dr. Fixon Akonya Okonye represented Finance Minister in Jinja

# THE FIRST BUDGET CALL CIRCULAR FOR FINANCIAL YEAR 2024/2025

By MoFPED Comms Team

The Deputy Secretary to the Treasury (DST), Patrick Ocailap on behalf of the Permanent Secretary/Secretary to the Treasury on 15th September, 2023 issued the first Budget Call Circular (1st BCC) on preparation of the budget framework papers and preliminary budget estimates for FY 2024/2025 in line with Regulation 7 (1) of the Public Finance Regulations, 2016.

The aim of this Circular was to communicate the budget process calendar for FY 2024/25, the budget strategy and strategic programme interventions, the preliminary resource envelope for FY 2024/25 as well as the strategic

policy and administrative guidelines for preparation of the Budget Framework Papers.

The theme of the Budget for FY 2024/25 is: **“Full Monetization of Uganda’s Economy Through: Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access.”**

**Full Monetization of Uganda’s Economy Through: Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access.**

In the Circular, Ocailap said that, the ultimate goal of the budget strategy for FY 2024/2025 is to accelerate economic growth to at least 7% through a shift from a raw-materials-based to a manufacturing and knowledge-based economy.

He said the strategy also aims at improving the environment of do-

ing business in Uganda and making it competitive in the medium term. “The ultimate goal is to build an independent, integrated, and self-sustaining economy as well as an anchor for socio-economic transformation of the Ugandans,” said Ocailap.

The Deputy Secretary to the Treasury said new measures have been adopted to ensure efficiency in planning and budgeting for FY 2024/25 and also sustain the economic recovery path without compromising commitments within the Charter for Fiscal Responsibility.

He said Government is implementing the fiscal consolidation strategy by focusing on enhancing revenue collection, repurposing the budget to finance new priorities, efficiency and effectiveness in public expenditure and reducing borrowing to ensure long-term debt sustainability.

Ocailap said all development programs and projects are being reviewed and those found to be performing poorly will be

**“The ultimate goal is to build an independent, integrated, and self-sustaining economy as well as an anchor for socio-economic transformation of the Ugandans,” said Ocailap.**



Deputy Secretary to the Treasury (DST), Patrick Ocailap



Members of Parliament at meeting with MoFPED at Serena Hotel, Kigo

exited from the Public Investment Plan (PIP) so that the available resources are allocated to projects with high impact growth.

Next fiscal year's budget strategy will focus on effective implementation of the Parish

Development Model, Agricultural production and value addition, development of the Oil and Gas Sector, accelerated development of the Mineral sector and continued implementation of the export and import replacement strategy.

Other focus areas include: Unlocking constraints in Tourism Development, Investment in Science, Innovation and Research, Digitalisation and Automation of the Economy, Private Sector Development, Integrated Infrastructure Development and Services as well as Promoting Public Sector Effectiveness and Accountability.

DST said the preliminary resource envelope for **FY 2024/25** is **Ushs 52.723 trillion**, noting that the discretionary resource has reduced by **Ushs 3.470 trillion** from **Ushs 25.2 trillion** to **Ushs 21.73 trillion** on account of increased interest payments, increased external debt repayments and reduction in budget support.

Regarding the policy and admin-

istrative guidelines, Ocailap urged Accounting Officers to allocate resources to their Vote's critical activities and items prone to virements and supplementary requests during budget execution.

"No virements shall be authorised and Accounting Officers will be held liable for these lapses. Going forward, there will be no room for supplementary expenditure," said the DST.

Accounting Officers were also urged to adhere to the Government policy of tax inclusive planning and budgeting during preparation of the budget framework papers and detailed budget estimates for FY 2024/25. They were also requested to prioritise titling of government land.

On the issue of budgeting for salaries, pensions and gratuity, Ocailap said the Ministry is waiting for final report on the special payroll audit from the Office of the Auditor General upon which wage allocations and ceilings for FY 2024/25 will be based in addition to other parameters.

The DST also informed Accounting Officers that the Development Committee will no longer consider any new project proposals for construction of office buildings, noting that government is finalizing plans for construction of a Government campus at Bwebajja, along Entebbe road to accommodate all government institutions that are currently renting.

Accounting Officers were reminded that no new administrative units will be created in FY 2024/25. They were also reminded to adhere to the Government Asset Management Framework and Guidelines, 2020 to fulfil their mandate to manage and control the public assets throughout the assets life cycle.

**For more Details on the 1st BCC, visit our [website:www.finance.go.ug](http://www.finance.go.ug)**

**“No virements shall be authorised and Accounting Officers will be held liable for these lapses. Going forward, there will be no room for supplementary expenditure,” said the DST.**



Staff of the Directorate of Budget at their Retreat at Serena Hotel, Kigo



Finance Minister Matia Kasaija congratulated NSSF Board and Management for posting a remarkable performance on almost all key performance indicators. The Fund's Assets registered growth from UGX 17.26 trillion in FY 2021/22 to UGX18.56 trillion in FY 2023/24. "Many naysayers did not imagine the possibility of growing this fund to UGX 20 trillion," said the Finance Minister.

**Finance Minister Kasaija (5th L) in group photo after announcing 10% interest rate for NSSF Members for FY 2022-23 at Kampala Serena Hotel on 26th September,2023**



State Minister for Planning, Amos Lugoloobi said natural resources have enormous potential to drive growth, development and poverty reduction. He said the extractive industries sector plays a strong economic role in many countries which face challenges such as resource dependency and under development.

**Minister of State for Planning Amos Lugoloobi (3rd L) launching Uganda's Second Extractive Industries Transparency Initiative (EITI) Report on 15th September,2023 at Sheraton Hotel.**



During the Rotary Year 2020/21, Mrs. Rosetti Nabbumba Nayenga, the Deputy Head Budget Monitoring and Accountability Unit (BMAU) served as Uganda's first female Rotary District Governor.

She has since been elevated to serve on the Rotary International Strategic Planning 8-member Committee, responsible for setting pace for global action by Rotary worldwide. The committee ensures that the vision of Rotary is understood and monitors results of actions undertaken in regard to the Rotary's four priority areas - Increase Our Impact, Expand our reach, Engagement of our participants and Adaptability. DG Rosetti will represent Africa on this committee in a four-year term.

**District Governor Rosetti Nabbumba (4th L) at Rotary International Headquarters in Evanston, United States of America**



State Minister for Microfinance, Haruna Kasolo said Climate change continues to affect the development gains even when a number of global and local level interventions have been undertaken.

He said the recently concluded Africa Climate Summit 2023 critically highlighted the role of enhanced strategic partnerships and collaboration between governments, financial institutions, the private sector, development partners and other relevant stakeholders, in mobilizing additional and innovative climate finance.

**Minister of State for Microfinance, Haruna Kasolo together with British High Commissioner to Uganda Kate Airey OBE (L) & other officials at the 2nd East African Region Climate Finance Directors' meeting in Entebbe**

# THE 14th NATIONAL COMPETITIVENESS FORUM (NCF) HIGHLIGHTS



By Shaka Isaac

The Ministry of Finance, Planning and Economic Development held the 14th National Competitiveness Forum on 21st September, 2023 under the theme **“Boosting Private Sector investments in Agro-industry to take advantage of regional opportunities”**

This annual Forum is a platform for dialogue between the Public and the Private sector aimed at enhancing the country's private sector competitiveness and is a key tool in the implementation of the Second National Strategy for Private Sector Development (NSPSDII) which feeds into the Policy and annual Budget Strategy consultations.

Ahead of this Forum, a number of engagements were held including the Pre-14th NCF high level meeting on coffee, grains and oil seeds whose recommendations are being studied to inform the budget process for FY 2024/25.

**Highlighting the priorities of the budget for FY 2024/2025, the Minister said a total of Ushs 2.1 trillion has been provided to support wealth creators to access patient and affordable capital in the productive areas.**

The 14th NCF focused on Cotton, Textile and Apparel (CTA), Fish and Aquaculture and boosting financing for private sector investments in Agro-industry.

The Forum was opened by Finance Minister Matia Kasajja who was represented by the Deputy Secretary to the Treasury, Patrick Ocailap. The Minister in his statement applauded the Private Sector for the immense contribution to the development of Uganda.

According to the third National Development Plan (NDPIII) the Private Sector generates 77% of the formal jobs and contributes 80% of the Gross Domestic Product (GDP).

Highlighting the priorities of the budget for FY 2024/2025, the Minister said a total of Ushs 2.1 trillion has been provided to support wealth creators to access patient and affordable capital in the productive areas.

He cited Parish Development Model, the Agricultural Credit Facility which has supported small and large private enterprises, the Small Business Recovery Fund, Emyooga funds, Uganda Development Bank capitalization and Uganda Development Corporation partnership with the private sector as some of the interventions put in place by government to boost Agro-industrialization.

Other interventions include: The USD 200 million Investment for Industrial Transformation and Employment Project (INVITE) launched in November 2023 to boost



DST Ocailap representing Finance Minister Matia Kasajja at the 14th NCF

manufacturing, value addition and exports at concessional credit to qualifying small and medium enterprises as well as the USD 217 million, Growth Opportunities and Productivity for Women (GROW).

**“Our engagements and studies on the potential of value chains like the sugar value chain revealed a lot of untapped product spaces and investment opportunities for the private sector investments.**

“Government is implementing various interventions to boost production, productivity and value addition with the goal of developing domestic competencies as a foundation for industrialization in the key commodities such as cassava,

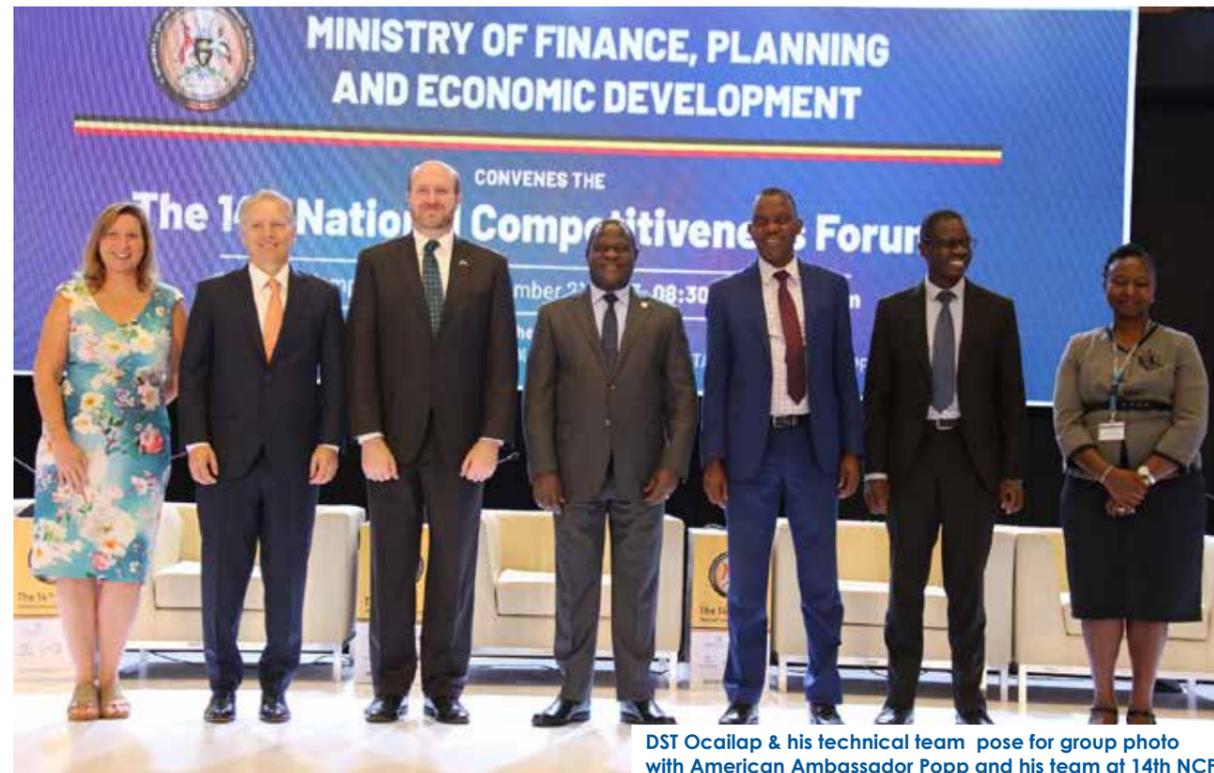
maize, cotton, tea, beef, fish and oil palm,” said the Minister, adding that the recommendations from the Forum will be considered in the formulation of the Budget for FY 2024/25.

He said Government developed the National Business Development (BDS) framework, which aims at strengthening organizational and institutional capacity of the private sector to reduce the size of the informal sector and build resilient and competitive small and

medium enterprises for sustainable enterprise growth.

In order to develop export products with comparative and competitive advantages, the Finance Minister said Government is stepping up enforcement of standards along the entire value chain, from the farm to markets of agricultural exports, adding that this also includes reforming the Uganda National Bureau of Standards to improve governance and technical capacity as a regulator that can effectively superintend and enforce standards.

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi who was represented by the Acting Director Economic Affairs, Moses Kaggwa said the NDPIII Agro-industrialization program goal is to increase commercialization and



DST Ocaillap & his technical team pose for group photo with American Ambassador Popp and his team at 14th NCF

competitiveness of agricultural production and agro-processing.

He said this program targets to increase the total export value of processed agricultural commodities (coffee, tea, fish, dairy, meat, and maize) from \$1 billion to \$4 billion and also reduce the total value of imported cereals and cereal preparations, vegetable fats and oils, and sugar preparations from USD 93.1million to USD 500 million among other targets.

“Our engagements and studies on the potential of value chains like the sugar value chain revealed a lot of untapped product spaces and investment opportunities for the private sector investments.

These include production of brown sugar, refined industrial es, sweets, alcohol, ethanol, industrial carbon-dioxide (Dry Ice), fertilizers, electricity among others,” said the PSST, adding that the product diversity means more jobs, revenue and exports leading to economic transformation.

**14th NCF Recommendations**

Participants at the Conference made a number of recommendations including;

commitment by government to invest in commercial cotton production by implementing the Cotton, Textiles and Apparel (CTA) Strategy for the FY 2020/21- 2029/30 to unlock the CTA potential.

They called upon government to explore the possibility of Public Private Partnerships (PPPs) in addressing the financing gaps in this sector.

**“Government is implementing various interventions to boost production, productivity and value addition with the goal of developing domestic competencies as a foundation for industrialization in the key commodities such as cassava, maize, cotton, tea, beef, fish and oil palm,” said the Minister**

It was also recommended that government should consider special strategic financing for primary industries: Textiles, Leather, Coffee, Beef Cement and Steel to unlock meaningful industrialization.

In the Fisheries Sector, it was noted that there are duplications and regulatory burdens which should be addressed through the on-going Business Licensing reform process.

They also recommended that the

UPDF and Directorate of fisheries should develop an effective surveillance strategy to combat illegal fishing and also enforce strict controls on importation of illegal nets.

The stakeholders also want responsible government Agencies to enforce environmentally friendly handling infrastructure to manage fish post-harvest losses, Police

Marine Unit should enforce use of clean energy sources to reduce pollution and contamination from other sources of energy in addition to operationalizing and enforcing the BUBU policy and local content provisions to support local participation in this sector.

The other recommendation was investment in large scale vegetable oil seed plantations, to supplement the palm oil plantations and unlocking the oil seed value chain.



American Ambassador to Uganda William Popp making remarks at 14th NCF



Acting Commissioner EDPR Joseph Enyimu made presentation on boosting Private Sector Investments in Agro-Industry at the Forum

## Why Agro-industrialization: Selected value chains

### Coffee:

Coffee exports for 12 months (FY 2021/22) totalled 6.26 million bags worth US\$ 862.28 million compared to 6.08 million bags worth US\$ 559.16 million the previous year (FY 2020/21). This represents an increase of 3% and 54% in both quantity and value respectively (UCDA). Opportunities in this sub sector include:

Establishment of dry coffee processing plant, establishment of a roaster, construction of a soluble coffee plant and establishment of coffee shops.

UCDA should register and strengthen Farmer Organizations/ Cooperatives.

### Grains:

Uganda's annual production capacity is 5,951,000 Tonnes and exports USD169.3m in 2020. The Uganda Grains Market size is expected to grow from USD 4.27 billion in 2023 to USD 5.22 billion by 2028, at an annual growth rate of 4.10% during the forecast period (2023-2028). Grains grown in Uganda include maize, millet,

sorghum, rice, and wheat.

Opportunities in this sub sector include:- establishment of feed mills, development of grain warehousing as a business.

Others are; production of Starch, ethanol, vegetable oil, flakes & other breakfast cereals, semolina from wheat for making pasta and brewing of opaque beer from maize and sorghum

### The Fisheries sub-sector:

It contributes 3-6% to National GDP and 12.6% to the agricultural GDP; providing direct employment to about 3 million people and essential nutrition. Opportunities in the sub-sector include: Quality Fish feeds production, quality seed/ fish fingerings (Hatchery) and production of fish based foods.

To support the sub-sector, it was recommended that MoFPED should allocate more funds to NAFIRRI to undertake research into better fish varieties to meet regional and global demand.

MoFPED should operationalise and enforce the BUBU policy and local content provisions to support local participation in large programs.

### CTA:

Cotton is the most important fibre plant in Uganda and the world. Uganda's production capacity is 50,709 bales (9,381 MT) of lint. Cotton exports were valued at US\$37.54 million during 2020. Lint exports accounted for about 87% of lint sales. The major export destinations for Ugandan lint included Singapore, United Kingdom, Switzerland, Mauritius, Kenya and France. Investment opportunities include: spinning and weaving, cotton seed and realization of the EAC harmonized CTA development strategy.

### The Oil-seeds:

The Oil-seeds: Uganda's annual production capacity is 343,000 metric tonnes and exports were worth USD 50.9m in 2022.

# PRIVATE SECTOR DEVELOPMENT UNIT (PSDU) VISITS PRIVATE SECTOR PLAYERS

By MoFPED Comms Team

The Ministry of Finance, Planning and Economic Development monitors implementation of the Second National Strategy for Private Sector Development (NSPSDII), a comprehensive framework for consolidation and coordination of the Third National Development Plan (NDP III) interventions that drive Private Sector Competitiveness in the Country.

The Private Sector Development Unit (PSDU) headed by Dianah Nannono engages key Private Sector players to understand issues that impede private sector competitiveness in the country.

The sub-sectors visited include: Sugar, Vegetable oil, Aquaculture (fish), Horticulture, Coffee, Grain, Apiary Tourism, Skilling hubs and Micro Small and Medium Enterprises (MSME's) and Cotton

Under the sugar sub-sector, PSDU visited Kakira Sugar Works Limited, The Sugar Cooperation of Uganda (SCOU), Kinyara Sugar Works, GM Sugar, Mayuge Sugar and Victoria Sugar Limited.

### Lessons and policy issues identified in the Sugar sub sector

The number of mills in the two regions has significantly increased. This, in turn, has increased capacity of sugar processing from about

240,000tonnes to 332,000 tonnes per annum. However, there is no demonstrated increase in the growth of cane in the two sub regions and this implies; Idle processing capacity (53%), unmet demand for sugarcane, increased price for sugarcane and cane supply diversion(poaching).

Sugarcane products include Sugar (white & brown), electricity, molasses, ethanol, carbon dioxide, ply wood, alcohol, sweets among others.

Uganda's Sugar export destinations include Burundi, Democratic Republic of the Congo, Kenya, Rwanda, South Sudan and Tanzania. Annual exports have



Head PSDU, Nannono (L) and team visiting YALELO Fish farm in Buikwe District



PSDU team visiting Victoria Sugar Limited

reduced from US\$130.7million in FY 2021/2022 to US\$116.3million in FY2022/23 partly because of limited cane supply to the mills.

### Policy issues

i. The National Sugar Policy 2010 provides a framework for enhancement of competitiveness, Public Private Partnerships, and Social Transformation in the sugar industry. However, there is need for the policy to be reviewed in light of emerging challenges.

ii. There is need to undertake targeted Research and Development in the sugar industry, so that new high yielding cane varieties can be planted, with a shorter maturity period.

iii. Uganda Revenue Authority needs to maintain and strictly enforce the 25% tariff on refined sugar imports to protect local manufacturers. The manufacturers in the beverages and confectionaries sector should therefore utilize the locally produced industrial sugar.

iv. Enforcement of the Sugar Policy 2010 and the Sugar Act 2020 to ensure protection along the entire sugar value chain.

iv. Undertake more Research and Development in a wide range of secondary factories that can sprout out of the sugar value chain. These include mega carbon dioxide plants, fertilizer plants, and medical spirits/alcohol-based products, among others.

Under the vegetable oil sub-sector the following factories were visited: BIDCO Uganda Limited (BUL) and Nile Agro Industries Limited.

### Lessons and policy issues identified in the Vegetable oil sub sector

i. Uganda Revenue Authority (URA) should strengthen the regulatory framework in porous border areas to close out smuggling of goods from Kenya into Uganda because it causes revenue loss to both government and the private sector.

ii. MAAIF should support domestic production of oil crops including expanding oil palm plantations and developing high yielding varieties for sunflower.

iii. URA and local governments should improve the road network in the country for efficient transportation of goods by private sector.

iv. There is need to support the establishment of a seed conditioning facility to maintain the quality of planting material used for production. This will deal with challenges related to supplying farmers with degenerated seed.

v. There is need for an oilseed board in Uganda to oversee the oil seed sector.

The entities visited under the aquaculture sub-sector include: Yalelo Fish and Source of the Nile (SON).

Yalelo is an aquaculture farm in Buikwe District which does cage farming of Nile Tilapia on Lake Victoria. It sells fish to local people at the farm and outlets in the country. It also exports fresh fish to other countries such as Kenya.

The Source of Nile (SON) Fish Farm is in Jinja and also does cage farming of Nile Tilapia on Lake Victoria. The farm sells fish to local people at the farm and also exports fresh fish to EAC countries like Kenya and Democratic Republic of Congo.

The PSDU team also visited enterprises under the horticulture sub-sector including, Agricado Farms Uganda Limited and Fresh handling.

# EXPLORE

## UGANDA



### Eclipse Monument

The Mbarara Eclipse Monument, also known as the Biharwe Eclipse Monument, was built to commemorate the total eclipse of the sun that occurred on April 17, 1520. It is located in Biharwe town in Mbarara District, Uganda.

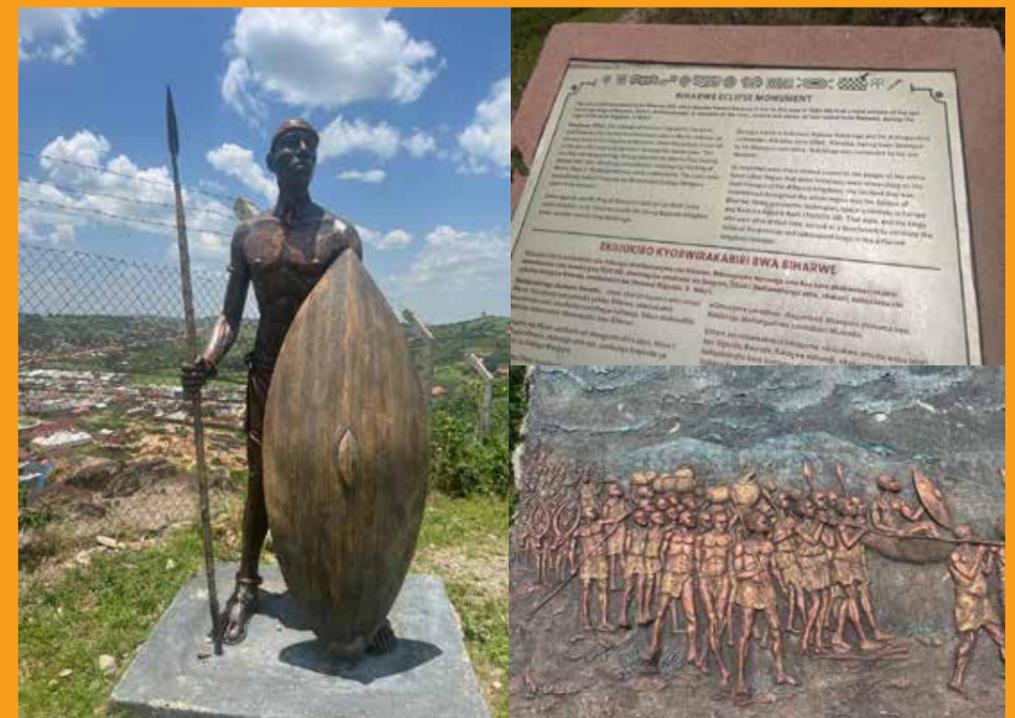
The eclipse is mentioned in the folktales of Bunyoro, Buganda, and Ankole, and it is the only scientifically dated event in the early history of the Great Lakes Region. This has made it a valuable reference point for historians in determining the royal genealogies of these kingdoms.

The monument is a 30-meter-tall structure with a large orange orb suspended in a perfectly circular space at the top. The orb is designed to cast a shadow on the ground that resembles a solar eclipse. The three legs of the monument represent the three kings who were contemporaries at the time of the eclipse: Nakibinge of Buganda, Olini I Rwitamahanga of Bunyoro, and Ntare I Nyabugarobwera of Nkole.

The monument was unveiled by President Yoweri Museveni on August 30, 2014. It is a popular tourist destination, and it is also a symbol of the rich cultural heritage of Uganda.

In addition to its historical and cultural significance, the Mbarara Eclipse Monument is also a work of art. It was designed by Joseph Sematimba, a creative director and lecturer of art and design at Makerere University in Kampala. The monument's unique shape and design have been praised by critics, and it has won several awards.

The Mbarara Eclipse Monument is a reminder of the importance of science, history, and culture. It is a place where people can learn about Uganda's past and appreciate the beauty of its present.





Under Secretary/ Accounting Officer Dr Sengonzi (R) at the Forum



(L-R) Hon.Lugoloobi, PSST Ggoobi & Hon.Musasizi at the Forum



Internal Auditor General Dr Fixon Akonya Okonye (R) with ED- CSBAG Mukunda & Dr.Bainomugisha,ED ACODE



Hon.Lugoloobi, PSST Ggoobi and Dr.Albert Musisi (L) sharing a light moment with Development Partners at the Forum



Participants at 7th EGF



Participants at 7th EGF



Development Partners at 7th EGF



Participants at 7th EGF

# NEW CARGO CENTER- ENTEBBE INTERNATIONAL AIRPORT



# NEWSBITS

## Kasaija signs USD 30 million loan agreement with Saudi Fund for Development



Finance Minister Matia Kasaija recently signed a loan agreement with the Chief Executive Officer of Saudi Fund for Development (SFD) H.E. Sultan Almarshad

worth USD 30 million to construct and equip the Uganda Heart Institute.

The signing ceremony was witnessed by Health Minister Jane Ruth Aceng at the Finance Ministry.

Kasaija on behalf of government extended heartfelt gratitude for the beneficial and cordial cooperation with the Saudi Fund for Development.

He also thanked the Arab Bank for Economic Development (BADEA) and OPEC Fund for International Development who have each contributed USD 20 million as co-financing with the Saudi Fund for Development to support the Uganda Heart Institute.

SFD CEO said they were committed to supporting sustainable development in Africa which includes funding projects in key sectors such as healthcare.

## Asubo hands over FIA Office

State Minister for General Duties, Henry Musasizi presided over the handover of office from Mr Sydney Asubo (former ED) Financial Intelligence Authority (FIA) to Mr Samuel Were Wandera the new Executive director for the Authority. Mr Wandera is former head of compliance at the Authority.

The Minister thanked the Board and Management of the Authority for the smooth transition exhibited.

The Minister tasked the new ED to expedite the process of getting Uganda off the grey list before the January 2024 deadline.

Mr. Asubo is now an Advisor to FIA on the task-force charged with getting Uganda off the grey list of the Financial Action Task Force (FATF/ICRG.)

FATF had 22 issues that required Uganda's action before getting off the grey list and fortunately Uganda has now addressed 21 out of the 22 issues. The Uganda Registration Services Bureau is addressing the remaining issue which has to do with registering the beneficiaries of companies in the country.



## Musasizi officiates at Health Committee breakfast meeting



Minister of State for General Duties Henry Musasizi on behalf of Finance Minister Matia Kasaija officiated at a breakfast meeting for the Parliamentary Committee on Health on the Financing of the Health Sector.

The meeting held at Sheraton Hotel focused on exploring alternatives for domestic resource mobilisation. The Government of Uganda launched the 10-year National Health Supply Chain Roadmap 2021/2022-2031/2032 which articulates the strategic transition plan and exit strategy from donor reliance towards self-reliance while strengthening health systems.

The Minister said the NDP III prioritises human capital development (HCD) program to which the health sub-program belongs, adding that the budget for HCD program is UGX 9,606 billion in FY 2023/24 which is 18% of the National budget.

He called upon Ministry of Health and other stakeholders to utilise the available funds effectively while ensuring improved service delivery adding that greater focus should be on preventive approach as a means of reducing the disease burden and related financial needs.

## PSST officiates at Pre-NCF High level Stakeholder Meeting

The Permanent Secretary and Secretary to the Treasury (PSST) Ramathan Ggoobi officiated at the inaugural stakeholder engagement on boosting private sector investment in agro-industry preceding the 14th National Competitiveness Forum (NCF).

The engagement held at Sheraton Hotel, Kampala was aimed at tapping into the technical expertise in coffee, grains and oil seeds, to unlock possible product spaces and investment opportunities for 10-fold economic growth.

He said the sugar value has untapped product spaces and investment opportunities for the private sector such as brown sugar, refined industrial sugar, molasses, sweets, alcohol,



ethanol, industrial carbon-dioxide (dry ice), fertilizers and electricity among others.

"The product diversity means more jobs, revenue, exports leading to economic transformation," said Ggoobi.

# DID YOU KNOW?

1

Some of the Parish Development Model key focus areas during FY 2023/24 include; Following the money to ensure funds are accessed by target beneficiaries and utilised for the right purpose, in addition to updating PDM Enterprise groups and SACCOs, strengthening business development services (BDS) for enterprise groups and SACCOs as well as timely capitalisation of the SACCOs. ■

2) As at end of March 2023, a total of 6,721 Emyooga SACCOs in all Districts, including Cities had received initial seed capital of UGX 30 million. Total seed capital disbursed by end of March 2023 to Emyooga SACCOs is UGX 259.1 billion. The process of disbursing additional UGX 20 million seed capital for each of the approved 4,376 SACCOs amounting to UGX 87.52 billion is on-going. ■

2

3

Government has put in place various incentives, in line with Uganda's industrial policy to facilitate initial development with reduced burden. Under the Income Tax Act, Industrial Park developers benefit from various incentives and exemptions including a ten-year tax holiday for investors who invest a minimum of USD 10 million for a foreign investor and USD 300,000 for Citizens. ■

Section 50 of the PPDA Act,2003 provides for preference and reservation schemes to promote particular sectors through specified public procurement contracts. Section 59B of the PPDA Act requires promotion of Youth, Women and PWDs in the participation of public procurement through reservation schemes. ■

4

5

Government of Uganda issued a National Lottery Operating Licence to Ithuba Uganda Limited to conduct the National Lottery for an exclusive period of ten (10) years subject to annual license conditions and fulfilment of conditions stated in the Agreement and the Laws of the Republic of Uganda. Finance Minister Matia Kasaija signed the agreement with Ithuba Uganda Limited on 8th August,2023. Expected revenue is UGX 147 billion annually. ■

A Study conducted by the Ministry of Finance, Planning and Economic Development in 2022 indicates that 28.7% of GDP comes from informal businesses, of which 70.6% is from micro businesses owned by women. ■

6

7

Formal employment, as captured under the PAYE Register, increased by 4.1% from 722,310 employees in July 2023 to 752,040 employees in August 2023. ■

According to Section 17 (1) of the Public Finance Management Act,2015; Every appropriation of Parliament shall expire and cease to have any effect at the close of the financial year for which it was made. ■

8

# QUOTE



"There is no doubt that the Government of Uganda is committed to the fight against financial crimes which generate proceeds and create negative consequences for our economy. It is therefore important that we collectively work together to stop criminals and terrorists from abusing our financial systems," said Finance Minister Matia Kasaija on the occasion of launching the Money Laundering and Terrorism Financing National Risk Assessment Report 2023 and First Terrorism Financing Risk Assessment Report 2023 for the Non-Profit Organisations' sector in Uganda ■



"We have a choice to make today and going forward. We can make a conscious choice to be part of the problem – and ignore our personal and national obligation to save for our retirement; or, we can do what seems harder today, but what will no doubt make life easier tomorrow by making our contributions to NSSF. 'Prosperity is the fruit of labour,' but this only manifests itself through savings and investments," said Minister of State for Planning, Amos Lugoloobi during the Sector Wide workshop to enhance Social Protection (NSSF) at Imperial Royale Hotel on 29th August, 2023 ■



"We must prioritise women's economic participation and harness their potential as a catalyst for growth. Addressing inequality and ensuring access to economic opportunities for marginalised communities will not only amplify our competitiveness but also reinforce the social fabric of our nation. Our economic blueprint must reflect our aspirations for a competitive and dynamic nation," said Minister of State for General Duties Henry Musasizi while closing the 7th Economic Growth Forum at Serena Hotel, Kampala ■



"Financial inclusion for the people in the bottom pyramid is one of the key government interventions to improve their livelihoods. The role of village savings and loans associations for example is key in driving financial inclusion. That is why government came up with the Emyooga and Parish development model initiatives," said Minister of State for Microfinance Haruna Kasolo while commenting about government interventions to improve the welfare Ugandans who are not yet in the money economy. ■



"Uganda - South Africa Investment and Trade Summit is a great opportunity for both countries' private sector to strengthen their economic relations. Thank you President Yoweri Kaguta Museveni for gracing the function but also for championing value addition on Africa's natural resources in Africa," said Minister of State for Investment and Privatisation, Evelyn Anite at the end of the second Uganda - South Africa, Trade and Investment Summit at Speke Resort Munyonyo, September 5-6, 2023 ■



"Businesses need to develop agile operating models; redesign operations and supply chains to protect against a wider and more acute range of potential shocks. In addition, they should embrace end-to-end value-chains and digitization while leveraging competitive advantages and economies of scale," said the Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi while delivering a keynote address at the Uganda Economic Forum 2023 organised by NBS Television ■

# POLICY

## National Financial Inclusion Strategy (NFIS) 2023-2028

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit and insurance—delivered in a responsible and sustainable way.

Uganda launched its first NFIS in 2017 and by the end of NFIS 1 in 2022, access to financial services (formal and informal) had increased from 57% in 2009 to 78% in 2018, while formal account ownership increased to 66% in 2021 and is projected at 80% by 2028.

The Objectives of NFIS 2023-2028 include; reducing exclusion and access barriers to formal financial services, deepening and broadening usage of affordable and quality formal financial products, strengthening financial consumer protection and financial literacy, developing an inclusive green finance market and promoting gender inclusive finance.

Financial inclusion under NFIS 2023-2028 will largely be driven by; developing a robust payments interoperability including the national switch, expanding and rolling out of the existing and new financial sector agent networks to the unserved and underserved areas, expanding and rolling out existing internet and digital infrastructure and facilitating as well as promoting the development of an efficient credit information market.

## Retirement Benefits Sector:

The 2022 Retirement Benefits Sector Report indicates that the Pension Sector grew by 11.8% from Ushs 17.8 trillion in FY 2020/21 to Ushs 19.9 trillion in FY 2021/22, accounting for 12.2% of GDP and over 60% of Gross Domestic Savings. Member contributions increased by 5.88% from Ushs 1.7 trillion in 2020/21 to Ushs 1.8 trillion in 2021/22. In addition, the number of members subscribing to at least one pension scheme increased by 2.24% from 2,949,715 members in 2020/21 to 3,015,807 members in 2021/22.

On the other hand, benefits paid out increased by 56.5% from Ushs 894 billion in 2020/21 to 1.4 trillion in 2021/22, due to the NSSF mid-term access. The Pension Sector coverage however reduced by 21.5% from 18.6% in 2020/21 to 14.6% in 2021/22, due to an increase in the working population from 15.9 million according to the Uganda National Household Survey (UNHS 2019/20) to 20.5 million as per the National Labour Force Survey (NLFS 2021).

The above performance indicates positive progress towards achieving the NDP III target of increasing social insurance coverage to 15% by 2025.

## Improving Learning Outcomes:

Improving learning outcomes, as measured by basic literacy and numeracy proficiencies, enhances children's foundational skills for life-long productivity and competence. According to Uganda National Examinations Board (UNEBC), the proportion of P.6 learners' who were proficient in literacy declined by 4.4% from 31.8% in 2018 to 21.7% in 2021. Relatedly, the proportion of P.6 learners who were proficient in numeracy dropped by 13.4% from 54.6% in 2018 to 41.2% in 2021.

Furthermore, the percentage of children (between P.3 to P.7) who could not read anything from a P.3-level English story increased by 87% from 6.2% in 2018 to 11.6% in 2021.

A recent study by Uwezo (National Learning Assessment Report 2021), highlights important policy recommendations that Government can adopt to improve learning outcomes especially in the Eastern and Northern regions of the country. The Report recommends the need to strengthen early childhood education and acquisition of basic literacy and numeracy skills in the lower primary grades, among others. This enables children to master the basic skills, at an early age as a foundation for their subsequent development.

# BRIEFS

## Climate Change and Call to Action:

Uganda is recognized as one of the African countries that are contributing to the global fight against climate change. In a bid to increase its ambition in the fight, Uganda updated its Nationally Determined Contribution (NDC) to the Paris Agreement this year, with our priority response being adaptation and increasing resilience in communities and ecosystems.

The concept of the NDC arose from the COP21 (Conference of Parties) held in France in December 2015 where each member country was to contribute to fulfilling the agreement. The goal is to limit global warming to 1.5°C above pre-industrial levels by the end of this century. In total, 196 countries, including Uganda, signed this legally binding treaty.

Climate change is a major global focus at the moment and various countries worldwide have come together under the United Nations Framework Climate Convention on Climate change (UNFCCC). The entity organizes a yearly meeting for member countries called the Conference of the Parties (COP). The next conference (COP28) will be held in December 2023 in Dubai.

Climate change is one of the biggest global focus areas at the moment and Uganda is equally committed to mitigate its effects. In fulfillment of the Paris Agreement (signed in October 2015), Uganda has launched its updated Nationally Determined Contribution (NDC) with priority response being adaptation and increasing resilience in communities and ecosystems. The new adaptation component covers 13 sectors. The key adaptation sectors include agriculture, water, forestry and ecosystem. Other significant sectors are transport, energy, mining, cities and built environment.

The implementation is being undertaken with a whole-of-society approach with unconditional actions; to be undertaken by Government of Uganda with domestic funding worth USD 4.1Bn; and conditional actions to be undertaken by external funding worth USD 24Bn. Unconditional and conditional actions constitute 5.9% and 18.8% respectively of Uganda's target reduction of 24.7% in economy-wide mitigation of climate change.

In the updated NDC, the methodological approaches for estimating and accounting for Green House Gas (GHG) have been improved. Furthermore, the NDC defines the sectoral mitigation and adaptation measures for 2025 and 2030.

At the Inaugural Africa Climate Summit held in Nairobi, Kenya from 4th to 6th September, 2023 African Heads of State called upon the global community to act with urgency in reducing emissions, fulfilling its obligations, keeping past promises and supporting the continent in addressing climate change.

In particular, the global community was asked to honour the commitment to provide USD 100 billion in annual climate finance as promised 14 years ago at the Copenhagen conference.

## Key policy issues:

- 1. As Uganda explores innovative climate financing, Green bonds and results-based funding should be prioritized.**
- 2. Leveraging innovative climate financing will require recognition and amplifying the role of the private sector.**
- 3. There is need to fast track the development of fiscal guidelines for advancing climate financing instruments.**
- 4. The Central Bank is critical in unlocking innovative climate finance.**



By Apollo Munghinda

## FINANCE MINISTRY FOCUSING ON STRENGTHENING COLLABORATION

The overall mandate of the Ministry of Finance, Planning and Economic Development is to formulate sound economic policies that enhance economic stability and development, mobilise financial resources, regulate their management and ensure efficiency in expenditure, in addition to overseeing national planning and strategic development initiatives for economic growth.

In the delivery of this mandate, Parliament is responsible for approving the national budget every financial year and playing an oversight role, in addition to the legislation and representation of the electorate roles.

These mandates require in-depth understanding of the context in which the two institutions operate in order to ensure effective collaboration.

To strengthen the collaboration between Parliament, and the Finance Ministry, an engagement with the Parliamentary Committees of Budget, National Economy, and Finance, Planning and Economic Development was organised during the first week of September, 2023 at Lake

Victoria Serena Kigo hotel. This engagement majorly focused on the key public finance reforms and the state of the economy.

Finance Minister Matia Kasaija who officiated at the meeting said, enhanced collaboration with Parliament will ultimately improve the budget process, noting that the economy has remained resilient amidst various shocks. He attributed this economic resilience to the effective coordination of relevant government institutions.

The economy is on the right path to full recovery with projected growth of 6% this financial year 2023/24 and projected growth of 6.5% in financial year 2024/25 and 7% over the medium term.

### Programme Based Planning and Budgeting

The Minister of State for Finance in charge of Planning, Amos Lugolobi explained to the MPs, the concept of Programme Based Planning and Budgeting in the context of the 3rd National Development Plan (NDP III).

Whereas the programme approach is in its third year of implementation, the Minister said

there is need for some changes for effective implementation, such as; realignment of Parliamentary committees from the current sectoral setup to programme setup and well-structured development planning capacity building for Ministries, Departments and Agencies as well as Local Governments. These recommendations among others, came out clearly during the midterm review of the NDP III.

It should be noted that the sector-wide-approach had a number of shortcomings such as silo approach to planning, budgeting and implementation, poor coordination, duplication of activities and wastage of resources which the programme based approach is addressing by ensuring that resources are linked to results. Uganda's Fiscal Consolidation Strategy

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi made a presentation on Uganda's Fiscal Consolidation Strategy which entails: Enhancing revenue collection; reducing borrowing to ensure long-term debt sustainability; and controlling government expenditure

to ensure efficiency and effectiveness.

In this fiscal consolidation strategy, government is now focused on effective implementation of the domestic revenue mobilisation strategy (DRMS) to collect more revenue, continuous repurposing of the budget to move resources to areas of high multiplier effect on the economy as well as enhancing debt management and commercial debt by leveraging new innovative sources without losing concessional financing.

### Budget Execution and Financial Reporting

The Accountant General, Lawrence Semakula made a presentation on budget execution, financial reporting, end of financial year processes and key public finance management reforms.

He explained how the Treasury Single Account (TSA) operates. TSA is a single government bank account through which the government of Uganda transacts all its receipts and payments. The Treasury Single Account is funded from the Uganda Consolidated Fund (UCF).

The inflows from tax revenue, non-tax revenue and borrowing among other sources are received into the UCF and then transferred to the TSA to settle government commitments. The Accountant General said that, the Treasury Single Account has minimised transaction costs during execution and ensures efficient control and monitoring of funds released to government agencies, as well as better coordination between fiscal and monetary policy implementation.

Prior to the implementation of the Treasury Single Account, government operated several bank accounts - Treasury General Accounts (TGAs) for each vote, but this operation of multiple bank accounts (TGAs) presented many challenges, including difficulty in ascertaining government's cash position in real time.

During this engagement, the Finance Ministry also had an opportunity to make specific clarifications on two issues which some Accounting officers have raised as obstacles to service delivery while appearing before Parliamentary committees and these are; late disbursement of local revenue remitted to the treasury single account and delayed revoting of unutilised funds at the end of the financial year.

The Accountant General informed Members of Parliament about the swift processing and transfer of remitted local revenue that is within the appropriated budget by issuance of a cash limit equivalent to collections remitted.

He explained that, if a local government remits revenue over and above the appropriated, the Finance Ministry is required to seek for Parliamentary approval through a supplementary which sometimes causes delays in sending these funds to local governments.

In line with the public finance management reforms, it is important to support remittance of local revenue collections to the Single Treasury Account as opposed to local governments

## The inflows from tax revenue, non-tax revenue and borrowing among other sources are received into the UCF and then transferred to the TSA to settle government commitments.

spending this money directly from local revenue accounts in commercial banks.

Regarding the issue of unspent funds at the end of the financial year, the Members of Parliament were brought to the attention of Section 17 (1) of the Public Finance Management Act (2015) (as amended) which states

that: Every appropriation by Parliament shall expire and cease to have any effect at the close of the financial year for which it was made. All unspent funds on the Treasury Single Account, after reconciliation are returned to the Uganda Consolidated Fund.

What this means is that, there are no unspent cash balances at vote level at the end of the financial year, apart from residual balances from Missions abroad because of their unique financial operations when it comes to managing funds. Accounting officers cease to process any other commitments, and they are advised to cancel any unsettled commitments on the Integrated Financial Management System (IFMS).

It should be noted that, the Treasury ensures that all payments in transit at the end of the financial year are cleared by the Bank of Uganda. For the case of local government revenue, Local Governments reconcile with the Treasury and a cash limit of the certified unspent balances is issued to the Local Government in the subsequent year for allocation by their Councils.

This interaction with Members of Parliament was very fruitful in bridging the communication gap between Parliament and the

Ministry. The Ministry is hopeful that the shared information will be effectively used by the Members of Parliament in performing their oversight function.

**The Writer is the Principal Communications Officer, Ministry of Finance, Planning and Economic Development**

# TAILGATING; IS IT A CYBERSECURITY THREAT?



By Leone Byereeta

Tailgating is one of the most common ways for hackers, thieves and other unpleasant characters to gain access to restricted areas. Tailgating is a physical Social Engineering attack where a person seeks to enter a restricted area where they are otherwise not allowed to be. This type of attack happens when the attacker follows an unaware user to gain access to an area without authorization. In any case, it's easier to just follow an authorized person into the premises than breaking into it.

The most common example of a tailgating attack is when the attacker requests someone to hold open a locked door. By manipulating the victim's goodwill, the fraudster can enter without proper verification.

The list of ways to fool others into opening or holding doors are endless. As soon as we think we've figured out the methods of fraudsters, they change them

**The most common example of a tailgating attack is when the attacker requests someone to hold open a locked door. By manipulating the victim's goodwill, the fraudster can enter without proper verification.**

again. That's why we need to constantly remind all of us in this MOFPED TIMES the dangers of such attacks however straight forward or obvious they may seem to be.

## What's the Danger of Tailgating?

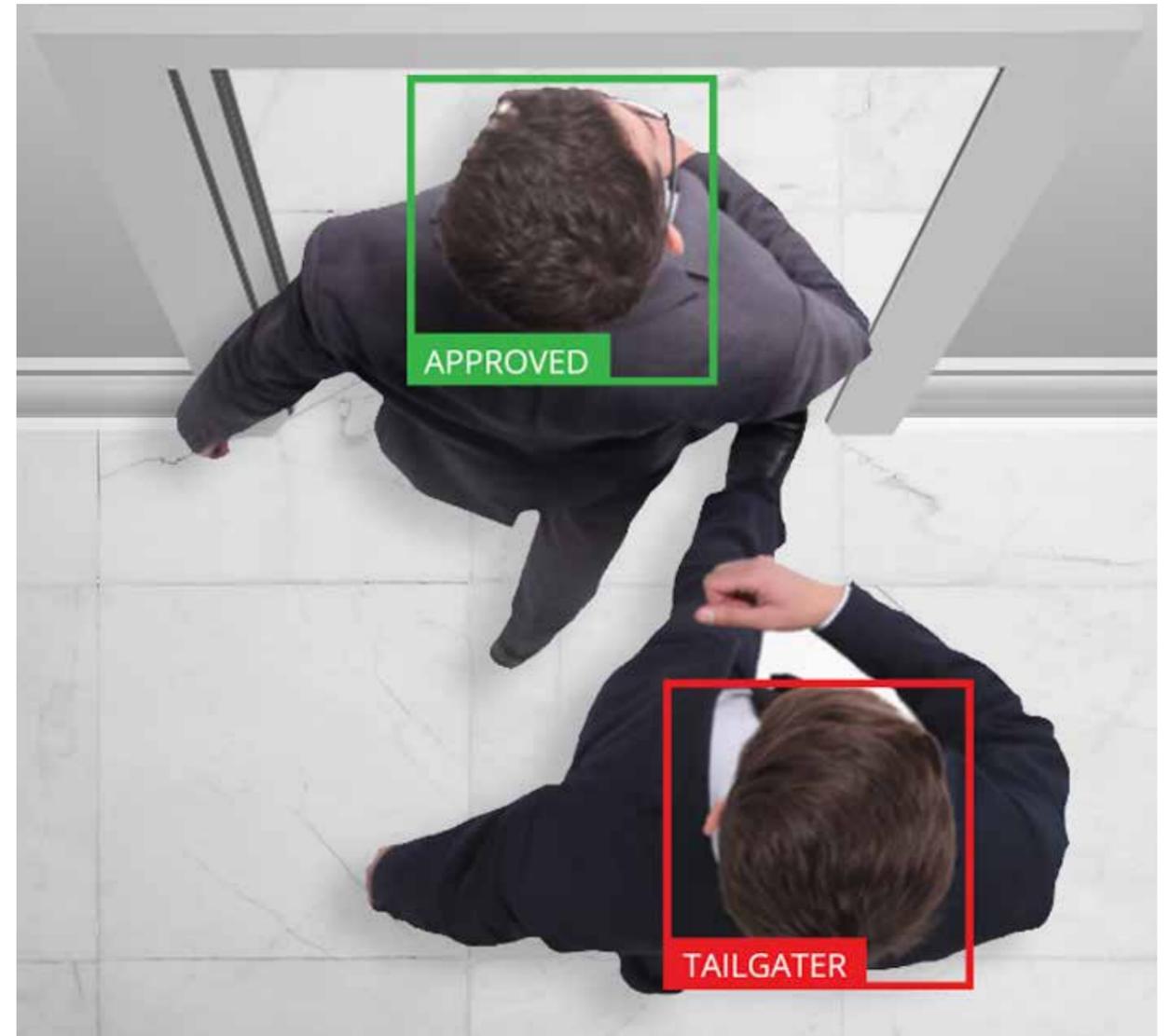
People who want to gain access to the MoFPED premises for example, can be after different things. Some simply want to steal valuable equipment such as laptops and smart devices. Often this equipment has sensitive information stored on it, so the theft is twofold.

Some could be hoping to insert spyware into ports of specially targeted computers or routers to steal information or money.

Others could be trying to gain access to the server room to create a backdoor to the entire network and steal data and the entity's secrets. And then there are those who simply want to cause harm, by violence, vandalism, reconnaissance or other means.

Tailgating can cause a lot of harm and in many ways. From simple loss of equipment to financial loss and severe damage to the entity's reputation, or even physical harm to people. This article, therefore, is to emphasize to all staff of the Ministry that that it's their responsibility to always challenge people who do not belong to the entity.

The problem with tailgating is that people often don't realize it's happening. That they, as



authorized personnel, are responsible for stopping people from following them through open doors. Or that they should think twice before holding those doors.

Fraudsters, thieves and hackers all rely on either the kindness of strangers or lack of awareness and responsibility. They also know that confronting strangers and denying them access usually makes people uncomfortable.

Some guess work here, most of us would hold the door for a person who's obviously struggling with a heavy box. Most of us are courteous, well-meaning people. But not thieves and hackers! They rely on our kindness and use it to gain access to our companies,

**Fraudsters, thieves and hackers all rely on either the kindness of strangers or lack of awareness and responsibility.**

our computers or servers, and our data. Being kind to strangers is usually a good thing. But when it comes to the safety and privacy of our workplace we should think twice and be on guard.

## How to Prevent Tailgating

Good news is that the Ministry has endeavored to put in place several security policies to minimize the risk of tailgating. Access controls

for entrances as well as specially restricted areas like the Data Centers have been put in place.

**A few other basic things that have been considered include:-**

- Strict adherence to wearing of the work ID's
- Requiring visitors to wear badges
- Security guards both uniformed and non-uniformed from Uganda Police Force to man entrances
- Use of bio-metrics as access control in the more restricted areas, also in some cases

## Former employees should not be allowed unchecked access within the Ministry, even if they are your friends

use of access control with PIN numbers

- Use a combination of any, or all, of those things.

**Here are a few things that we need to memorize as employees to prevent tailgating, sometimes called piggybacking**

- Don't hold the door for anyone, even if they're wearing their work ID or visitor's badge.
- Stop people when they attempt to follow you into access restricted areas.

- Challenge or report unaccompanied people in the work space if you don't know them.

- Challenge or report people who are not wearing a visitor's badge.

- Report suspicious characters to security.

- Direct guests who say they have a meeting to the reception.

- Close doors you know should be closed (if they don't close properly, report it to security).

- Be constantly vigilant and aware of your surroundings.

- Be aware that thieves and hackers could be disguised as repairmen or delivery people.

- Former employees should not be allowed unchecked access within the Ministry, even if they are your friends.

**The Writer is a Systems Officer, Accountant General's Office**





Prime Minister Robinah Nabbanja commissioning PPDA - URF Towers at Nakasero, Kampala



Minister of State General Duties Henry Musasizi (R) with Minister for Relief, Disaster Preparedness & Refugees Hilary Onek at Kampala conference ahead of Global Refugee Forum 2023



Minister of State for Investment & Privatization Hon. Anite (M) at launch of the UIA SME portal



Minister of State for Investment & Privatization Hon. Anite (M) meeting the newly elected Management Committee of the Indian Association of Uganda



Under Secretary/Accounting Officer Dr. Sengonzi addressing staff of the Budget Directorate during their Retreat at Serena hotel, Kigo



PSST Ggoobi, Ag Director Economic Affairs Kaggwa, and staff of UIA visiting ENGO Holdings Group Ltd at Namanve Industrial Park



Assistant Commissioner Budget, Ali Tagole (2nd L) and other officials at a radio talk show during LG budget consultations FY 2024/25



Acting Director Debt and Cash, Maris Wanyera (M) representing Finance Minister at LG Budget consultations FY 2024/25 in Mbale, flanked by Commissioner ,Moses Kabanda (L) and Assistant Commissioner, Ali Tagole



PSST Ggoobi with MP Paul Omara during MoFPED meeting with Members of Parliament at Serena Hotel, Kigo



Principal Assistant Secretary, Osekeny with Head Planning, Tibenkana during Budget Directorate meeting at Serena, Kigo



Cake cutting to celebrate birthday of Commissioner, Paul Mwanja (3rd R) during Budget Directorate Retreat at Serena Hotel, Kigo



Local Government Leaders during LG Regional Budget Conference FY 2024/25 at Jinja

# NDP III PROGRAMMES AND CORRESPONDING LEAD VOTES



MINISTRY OF FINANCE, PLANNING  
AND ECONOMIC DEVELOPMENT

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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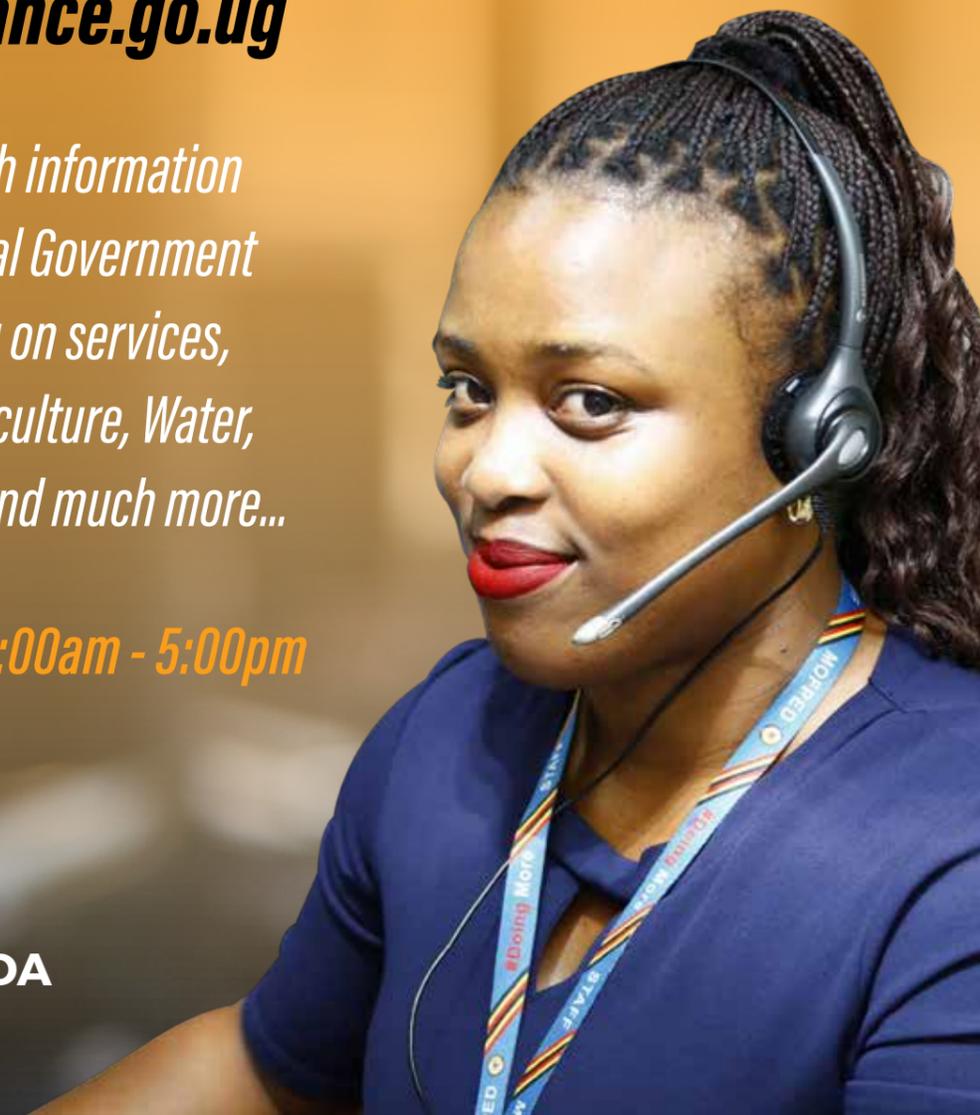
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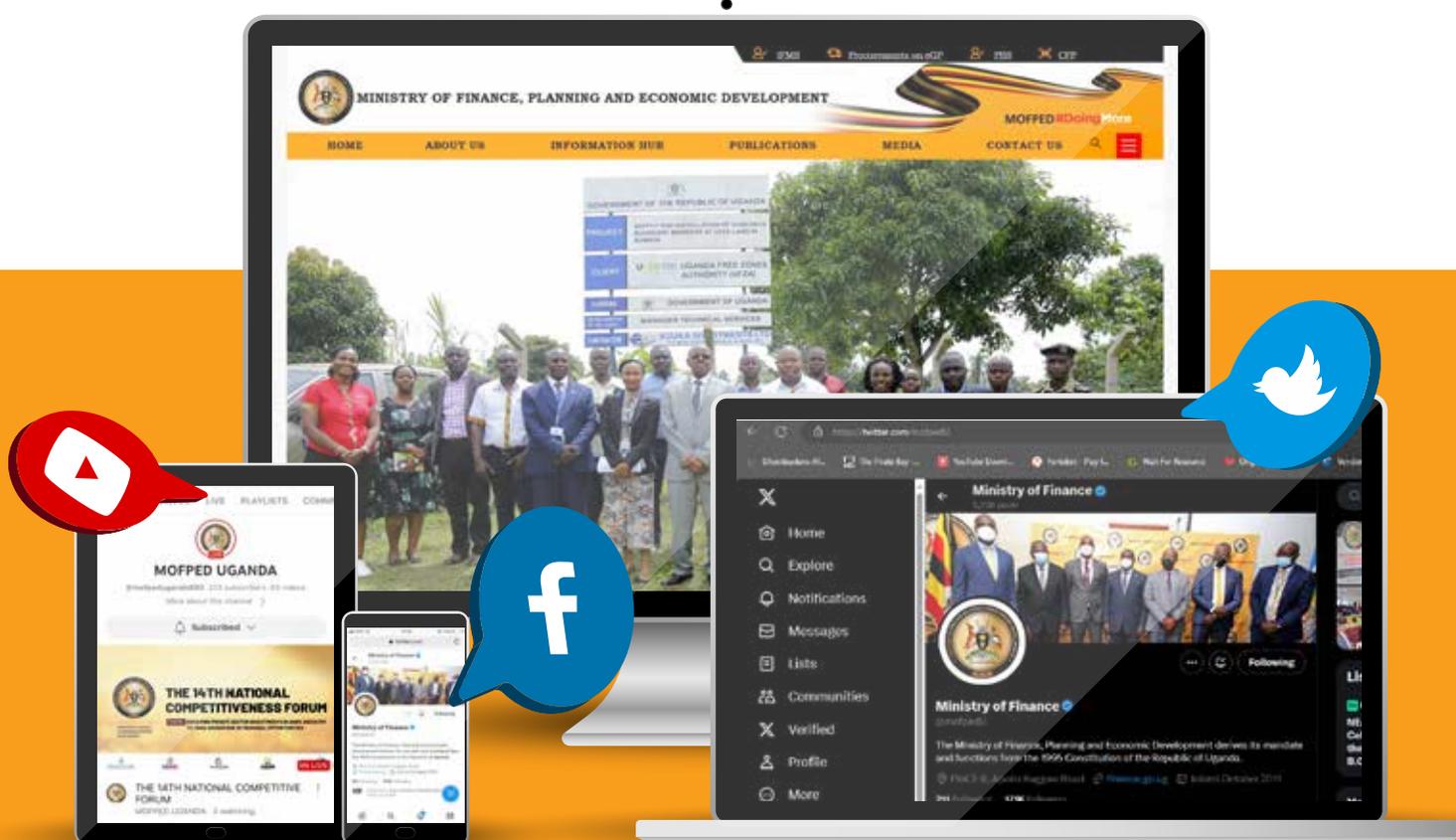




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