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HOW THE NATIONAL BUDGET FOR FY 2024/25 IS PEOPLE CENTRED

WHY UGANDA IS THE PRIME INVESTMENT, TRADE AND BUSINESS HUB IN AFRICA

MAINSTREAMING CLIMATE ACTION IN THE FINANCIAL SECTOR

SCAN
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COVER PAGE

Cover Picture: Kyaligonza Aloysious (MoFPED)

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MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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.

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  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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Ramathan Ggoobi
Permanent Secretary and
Secretary to the Treasury

Ministry of Finance,
Planning and Economic
Development

Greetings

Dear stakeholders,

I thank you all for the support extended to this Ministry to steer the economy successfully until the end of FY 2023/24.

We are grateful and hopeful that we shall continue getting the same support during FY 2024/25 as we implement the fifth and final budget of the 3rd National Development Plan (NDP III) (2019/20–2024/25). This budget is also laying the foundation for implementing the strategy to grow the economy tenfold from USD 50 billion in FY 2022/23 to USD 500 billion in the next 15 years.

The ambition to grow the economy in double digits comes at a time when the country has returned to its historical economic steady-state growth potential of 6% to 7% per year, from a low of 3% in FY 2019/20, and an average NDP growth of 5%.

The economy has fully recovered from the effects of COVID-19 and we have a good plan to grow our economy bigger and better. We have the opportunity and the time is now.

For the first time, Uganda has joined the league of nations in the medium human development category. We have also met the criteria for graduating from the world's list of the 45 least developed countries.

The budget for FY 2024/25 is dedicated to wealth creators and particularly to those still stuck in the subsistence economy who must embrace the opportunity and take full advantage of the Parish Development Model (PDM), Emyooga and all other wealth funds.

To the women, the youth, the elderly, the private sector, public servants and all the people of Uganda, the timing to pursue socio-economic transformation is perfect.

Enjoy reading the TIMES

Ramathan Ggoobi

Permanent Secretary and Secretary to the Treasury

H.E. President Yoweri Kaguta Museveni arriving at Kololo Independence grounds for the reading of the Budget for FY 2024/25

Our esteemed Stakeholders

Sincere greetings from MoFPED,

What a joy to welcome you all to this 15th Edition of the Times as we end FY 2023/24.

We have been engrossed in the budget process for FY 2024/25 which climaxed with the reading of the budget on 13 th June 2024.

In this 15th Edition of the TIMES, we bring you the highlights of the budget for FY 2024/25 with a deeper reflection on the people centred component of the budget. It should be recalled that the Finance Minister dedicated this budget to wealth creators.

In a special way, we share the tax measures for FY 2024/25 and the status of the Parish Development Model (PDM) and Emyooga wealth creation initiatives.

This Issue equally highlights the NDP IV strategic direction, the strategy to grow the economy 10-fold, why Uganda is the best investment destination and the need to streamline climate action in the financial sector..

Enjoy reading the MOFPED TIMES

Apollo Munghinda
Principal Communications Officer

NATIONAL DEVELOPMENT PLAN IV STRATEGIC DIRECTION

Participants at the national conference

Hon. Lugoloobi officiating at the National Planning Conference

Head of Public Service & Secretary to Cabinet Lucy Nakyobe

By MoFPED Comms Team

The Minister of State for Planning, Amos Lugoloobi, officiated at the National Development Plan IV (NDPIV 2025/26-2029/30) National Planning Conference organised by the National Planning Authority at the Office of the President Auditorium. This conference was a key activity in the NDP IV formulation process and roadmap and kick-started the decentralised planning processes at the programme level, Ministries, Departments and Agencies (MDAs) level as well as the Local Government level.

The NDPIV will be the fourth out of the six National Development Plans that are meant to implement Uganda Vision 2040. It is also the last plan to deliver the Global Agenda 2030 of the Sustainable Development Goals (SDGs) and the first within the implementation of Government's strategy for achieving tenfold growth. The NDP III expires in June 2025.

The NDPIV strategic direction provides the overarching framework on which the Plan will be developed. It includes the overall goal, theme, strategic objectives and measures to attain the aspirations of the plan. It is the basis on which priority interventions, national programmes and projects will be elaborated.

The goal of NDPIV is "**to achieve higher household incomes and employment for sustainable socio-economic transformation**". It is premised on the theme: "**Sustainable industrialization for inclusive growth, employment and wealth creation**".

The NDPIV strategic direction has also been tailored to address the challenges and lessons learnt from the previous plans. The plan is anchored in the desire to consolidate the development gains, accelerate the implementation of plans, stronger management and accountability for results, innovative financing as well as deepened involvement of the private sector.

At the National Conference, Lugoloobi said the NDPIV should be ready by September 2024 to inform the country's macroeconomic framework and budgeting processes for FY 2025/26.

The Minister said the NDPIV strategic direction which was approved by Cabinet in March 2024 is in line with the strategy of growing the economy tenfold from the current USD 50 billion as of FY 2022/23 to USD 500 billion in the next 15 years in a transformative, inclusive and sustainable manner.

The NDPIV will be achieved through five strategic objectives and these are:

i. Sustainably increase production, productivity and value addition in agriculture, minerals, oil and gas, tourism, ICT and financial services;
ii. Enhance human capital development along the entire life cycle;
iii. Support the private sector to drive growth and create jobs;
iv. Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT; and
v. Strengthen good governance, security and role of the state in development.

The Head of Public Service and Secretary to Cabinet, Lucy Nakyobe, said the silo approach to service delivery has persisted and limiting the intended purpose of the programme approach to planning and implementation.

Among the proposed measures to improve service delivery, she called for the development and enforcement of service and service delivery standards which will provide a benchmark for monitoring and accountability.

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, said NDPIV should be fiscally realistic. He noted that the introduction of Indicative Planning Figures (IPFs) is a step towards ensuring that the limited resources of Government are used efficiently, safeguarding ongoing commitments and strategically taking on new priorities in line with the tenfold growth strategy.

He said critical projects such as the Standard Gauge Railway (SGR) and oil and gas projects need to be carried forward in NDPIV.

The PSST called for commitment to prudent and effective planning in this process of developing NDPIV, adding that there is need to ensure that development plans are based on the availability of resources (aligning resources with revenue forecasts to maintain financial stability) and guarding against the pitfall of over-ambitious projections and underfunded priorities.

Ggoobi encouraged programme leaders to focus on developing detailed Programme Implementation Action Plans (PIAPS) with clear resource allocations.

He also called for effective coordination and collaboration between Government and Development Partners to maximise resource utilisation and minimise duplication of efforts.

The Deputy Executive Director, National Planning Authority, Charles Oleny, said the purpose of the National Planning Conference was to officially communicate the NDPIV strategic direction and the Planning Call Circular, in addition to kick-starting the decentralised planning processes.

Participants at the confrence

LAUNCH OF THE NATIONAL BUDGET MONTH FY 2024/25

Anite launching the National Budget Month FY 2024/25

By MoFPED Comms Team

The Ministry of Finance, Planning and Economic Development together with its partners implemented the National Budget Month activities for FY 2024/25 in the months of June and July 2024 with the main objective of creating awareness about Government priorities and strategies for FY 2024/25. The engagements were also aimed at providing accountability to the citizens on the key achievements for FY 2023/24.

The activities of the National Budget Month included pre- and post-budget speech dialogues on topical issues of the budget for FY 2024/25. The Ministry of Finance with partners, under the Budget Transparency Initiative (BTI), are committed to providing full disclosure of the budget information to the people of Uganda in a simplified manner and also obtain feedback from the citizens to inform future budgets and policies.

The launch of the National Budget Month activities coincided with the release of the Open Budget Survey (OBS) results for 2023 by Uganda Debt Network, which ranks Uganda's budget transparency at 59%, the best in East Africa (and 4th across the African continent in terms of budget transparency).

The OBS assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process.

The Minister of State for Investment and Privatisation, the Hon. Evelyn Anite, represented Finance Minister Matia Kasaija at the launch of National Budget Month for FY 2024/25 at Kampala Serena Hotel.

Anite called upon the civil society organisations (CSOs) to join Government in the fight against corruption by naming and shaming the corrupt people in Government, adding that the focus of all stakeholders should be on improving public service delivery and making Uganda a better country for the current and future generations.

"As Government together with our partners, we believe it is a good practice to bring the budget to the people with discussions on current issues of interest to the citizens," said Anite.

She also thanked the International Budget Partnership, Uganda Debt Network and UNICEF for undertaking the 9th Edition of the Open Budget Survey. She said the survey has helped to improve performance, adding that Government will work towards addressing gaps identified in the report to improve the ratings in the next edition, especially in the area of public participation.

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, in his opening remarks said the key priorities of the budget for FY 2024/25 include:

i. Investing in the people of Uganda through human capital development (health, education, water and sanitation).
ii. Peace and security.
iii. Maintenance of roads and construction of other strategic roads and the Standard Gauge Railway as well as revamping the Metre Gauge Railway.
iv. Investing in wealth creation (Emyooga, Parish Development Model (PDM), Agriculture Credit Facility and Uganda Development Bank (UDB) etc.).
v. Science, Technology and Innovation (STI) to propel the knowledge economy.

The PSST also highlighted the strategy to grow the economy tenfold in the next 15 years through the four anchor sectors of agro-industrialisation, tourism development, minerals development, oil and gas as well as Science, Technology and Innovation (ATMS).

> ***The Budget Month activities coincided with the release of the Open Budget Survey (OBS) results for 2023 by Uganda Debt Network, which ranks Uganda's budget transparency at 59%, the best in East Africa (and 4th across the African continent in terms of budget transparency).***

He said government will continue to focus on increasing revenue, controlling borrowing, ensuring efficiency and effectiveness in the use of the limited resources.

The Executive Director CSBAG, Julius Mukunda, applauded the Budget Transparency Initiative (BTI) at the Ministry of Finance, which has made the conversation around the budget much deeper than what it was 10 years ago, adding that this promotes budget transparency and accountability.

Mukunda also emphasised the need for a reduction in budget appetite and frugality in spending, in addition to giving Uganda's diplomats key performance indicators for marketing Uganda's products, especially now that they have been given resources to do this work.

The ACODE Executive Director, Dr Arthur Bainomugisha, reiterated that corruption wastes the scarce resources available for investment in the economy, adding that there is no room for relaxation in the fight against corruption. He also called upon Government to minimise supplementary budgets, manage debt sustainably and also enhance financing for Local Governments to improve service delivery.

Group photo at the launch of the national budget month FY 2024/25

HOW THE 2024/2025 NATIONAL BUDGET IS PEOPLE CENTERED

On June 13, 2024, the Finance Minister Matia Kasaija unveiled a Shs 72.1 trillion national budget which contains various interventions aimed at boosting Uganda's economy and improving the socio-economic welfare of ordinary Ugandans.

Finance Minister delivering the budget speech for FY 2024/25

The theme of the budget for FY 2024/25 is: "**Full monetisation of Uganda's Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access**".

The Minister noted with optimism that the 2024/2025 national budget is a people-centred budget which is greatly in the interest of Ugandans still stuck in the subsistence economy.

"Countrymen and women under this category, take full advantage of the PDM and other wealth creation funds as well as other support services to join the money economy in any of the four sectors – commercial agriculture, industry, services, or ICT," Kasaija suggested.

To the private sector, the Minister affirmed that this budget is anchored in the tenfold growth strategy which will create limitless opportunities for Uganda's business community.

"It presents to you a multitude of opportunities. It has invested in a number of interventions to further improve the business environment. The macroeconomy is stable; infrastructure is improving; affordable capital has been

provided for you to engage in value addition and export; electricity is now reliable and Government will work hard to reduce its cost; regional markets are expanding and barriers to market access are being removed. Therefore, take full advantage of these opportunities to create wealth and prosperity," the Minister elaborated.

To the youth, the Minister pointed out that this budget offers opportunities to acquire more skills, access finance, innovate and develop new and better products.

"To those with talents, I assure you that the creative industry is going to be supported. This budget is the beginning among many in the medium term intended to open up doors for you to escape unemployment and manipulation by self-interested individuals and groups. Take full advantage of the opportunities to make money and live a productive life," he stated.

To the women and mothers of this nation, Kasaija said the budget has provided funds to improve their health, to ensure that their children are born in safe hands, are immunised, sleep under mosquito nets, drink clean safe water, and are educated in a nearby school for free. He added that the budget has also allocated billions to support their businesses, however small they are now.

To the elderly, persons with disabilities, and other vulnerable persons, wherever they are in this country, the Minister revealed that the budget offers several social safety nets not only to shield them from poverty but also to ensure that they can be productive and begin to live a decent life.

Investing in the people of Uganda

The Finance Minister said Government will continue to prioritise healthcare, education, water, sanitation and hygiene, to which he provided Shs 10.216 trillion, which is 27% of the national budget.

In the health sector, focus will be on the promotion and implementation of interventions for disease prevention and health education initiatives against communicable, non-communicable and neglected tropical diseases as well as providing essential medicines where an additional Shs 100 billion has been provided. The health sector has been allocated Shs 2.946 trillion to address the sector priorities.

To improve the quality of education, the Minister provided Shs 2.497 trillion to, among others, support the new curriculum for Senior One to Senior Four students, in addition to the operationalisation of all 111 seed secondary schools, commencing construction of 60 secondary schools and the expansion of the existing 61 secondary schools.

BUDGET

H.E President Museveni, the 1st Lady and Minister Education & Sports,Janet Museveni arriving for budget speech reading

The Minister also provided an additional Shs 355.79 billion for social protection to support the welfare of the elderly across the country, to keep them healthy and productive in their communities. Kasaija said Government will continue to support the youth and women beneficiary programmes using funds recovered from the Youth Livelihood Programme and Uganda Women's Enterprise Programme.

The Finance Minister also provided Shs 516.78 billion for climate change mitigation, natural resources, environment and water resources. This includes increasing clean water coverage to 70% and 85% in rural and urban areas respectively.

Salary enhancement for security officers

The Governance and Security Programme has been allocated Shs 9.588 trillion for 2024/2025 to ensure the prevalence of peace, security and the rule of law. Part of the additional resources for the vote are meant to enhance salaries for all security officers.

"To the gallant men and women in uniform, at the rank of Captain and below – who are serving in the UPDF, in the Uganda Police, in the Uganda Prisons, in internal and external intelligence services – this budget contains the first instalment to enhance your pay," Kasaija said.

More funds for wealth creation

Government is currently using the Parish Development Model (PDM) as the main vehicle for getting Ugandans out of poverty.

The Uganda Government launched the PDM on February 26, 2022 as the last mile for improving the economic welfare of Ugandans

In the 2024/2025 national budget, more funds have been earmarked for funding various categories of Savings and Credit Organisations (SACCOs), including Shs1.059 trillion for PDM SACCOs and Shs100 billion for Emyooga SACCOs.

"The PDM has now been fully rolled out. A total of Shs 2.4trillion has so far been provided. The money is being transferred directly to beneficiaries in 10,585 parishes across the country," Kasaija said.

The Minister explained that the total of 1.165 million households that have so far received the PDM funds have invested in intensive agriculture projects which include poultry, dairy, coffee, piggery, fish, fruits and food crops.

A turning-point decision was made in 2007 when Parliament exempted SACCOs from paying taxes on the profits from their investments for a period of 10 years.

Besides the PDM SACCOs which are mostly for Ugandans involved in agricultural production, Government has been significantly investing in Emyooga SACCOs for savings groups of Ugandans involved in similar economic activities.

Other categories of SACCOs which are not modelled on PDM and Emyooga are also funded by Government through the Microfinance Support Centre.

Since the establishment of the Microfinance Support Centre in August 2019, Government has so far sent funds to the centre totalling Shs 480 billion for the benefit of Emyooga SACCOs and Shs 268 billion has been disbursed to 6,810 Emyooga SACCOs. As a result, 607,636 individuals across the country have benefited from the Emyooga funds.

Government has continued to annually provide billions of money to the Uganda Development Bank (UDB) to fund private investments at the lowest interest rates of between 10% and 12%.

In the 2024/2025 national budget, an additional Shs 55 billion has been given to UDB to fund private investments in key strategic sectors with high economic returns like industrialisation, ICT, agriculture, tourism, export promotion and import substitution.

"Government is also in the process of acquiring for UDB credit lines worth Shs1.083 trillion to lend more to wealth creators. UDB has grown into a formidable Sh1.6 trillion bank in assets, providing patient and relatively affordable capital to those adding value to agricultural raw materials, manufacturers as well as investors in tourism and hospitality, infrastructure and education creating 51,841 jobs."

Uganda's manufacturing sector has experienced exponential growth from only 80 factories in 1986 to more than 5,000 factories currently established in various parts of the country which have created thousands of jobs.

Presidential skilling for the youth

As part of the various interventions to address the high rate of unemployment among the youth, Government has in the last two years aggressively invested in establishing technical/industrial skilling centres in various parts of the country through the Presidential Skilling Programme, which has equipped thousands of youth with technical skills for starting income-generating ventures.

Among other skills, the youth who enrol for the Presidential Skilling Programme are trained in tailoring and design, hairdressing, building and construction practice, carpentry and joinery, welding and metal fabrication, bakery and confectionery, and leather processing (shoe-making)

Agriculture credit facility

The Minister announced that an additional Shs 30 billion has been provided to support the Agriculture Credit Facility for promoting commercial farming in the next financial year.

"Since 2009 Government has partnered with banks to support commercialisation of agriculture through a credit guarantee scheme that provides up to 50 per cent of the money loaned to a farmer. Cumulatively, Government has invested Shs 303 billion, causing a cumulative loan disbursement of Shs 860 billion. This money has enabled a total of 3,868 agricultural projects to access patient capital for commercial on-farm investment, post-harvest management, agro-processing, and trade in agricultural produce," Kasaija explained.

Government is also implementing a Shs 824 billion Generating Growth Opportunities and Productivity for Women Enterprises (GROW) programme and a Shs 800 billion Investment for Industrial Transformation and Employment (INVITE) programme. These two programmes will support women-owned enterprises and value addition for exports, respectively.

Infrastructure projects

As it has been the case for the last 10 to 15 years, Government has continued to give priority to the works and transport sector in the national budget by allocating to the integrated transport infrastructure and services programme a total of Shs 4.989 trillion.

For the first time, the long-awaited construction of the Standard Gauge Railway project has been programmed for commencement in addition to the accelerated rehabilitation of the Metre Gauge Railway.

Resources have also been earmarked for the construction and upgrading of several national roads and rehabilitation of district, urban and community access roads.

Uganda no longer a least developed country

The Finance Minister stated that at a 6% projected economic growth for the ending financial year of 2023/2024, Uganda's economy has grown to Shs 202 trillion USD 53.3 billion) up from Shs184.3 trillion USD 48.8 billion) in the previous financial year.

"Madam Speaker, I am pleased to report that Uganda's economy has fully recovered from various internal and external shocks that impacted performance in the past four years. This year's growth of 6 per cent is even more impressive when compared to Sub-Saharan Africa's average of 3.8 per cent, and the global average of 2.9 per cent projected for the year 2024," Kasaija stated while reading the national budget.

The Minister explained that if Ugandans agreed to share this GDP equally, each citizen would enjoy a GDP per capita of USD 1,146 compared to USD 1,081 registered last financial year of 2022/23.

Kasaija explained that in March 2024, Uganda met the requirements to graduate from the category of Least Developed Countries (LDCs).

"Uganda also moved from the category of low human development to medium human development. This is a result of consistent improvement in health, education, economy, and a decent standard of living. This is a big milestone achieved well before the country starts earning from oil exports. When oil and gas start to flow, in FY 2025/26, with deliberate value addition to our raw materials, and productive utilisation of the PDM and other wealth creation initiatives, attainment of prosperity for all and socio-economic transformation will be faster," the Minister stated.

MoFPED's technical team at the Budget Reading

> ***Since 2009 Government has partnered with banks to support commercialisation of agriculture through a credit guarantee scheme that provides up to 50 per cent of the money loaned to a farmer. Cumulatively, Government has invested Shs 303 billion, causing a cumulative loan disbursement of Shs 860 billion. This money has enabled a total of 3,868 agricultural projects to access patient capital for commercial on-farm investment, post-harvest management, agro-processing, and trade in agricultural produce,***
>
> ***Kasaija explained.***

High prospects for economic growth

It is anticipated that the increased activities and investments in preparation for the commencement of oil production will greatly boost Uganda's economic growth.

The Minister said Government enforcement of the National Content Policy has ensured that up to 93% of jobs in the oil and gas sector go to Ugandans and a total of 13,607 jobs have been created so far.

"In addition, the companies investing in the oil and gas sector are contracting locally. Since 2021, contracts worth USD 1.796 billion have been awarded to Ugandan companies, out of the total contract investment of USD 7.162 billion," the Minister explained.

It is against that background that experts in the Finance Ministry are optimistic that the Shs 72 trillion national budget is the beginning of a take-off phase for Uganda's economy.

With the boost from oil sector investments, increasing investments in industrialisation, tourism, and commercial agriculture, increased investments in infrastructure projects, and increased funding for private investments, including investments in SACCOs, Uganda's economy will experience exponential growth in the medium term.

The Minister said Uganda's exports have significantly grown by USD 2.5 billion to USD 7.47 billion in April 2024 compared to USD 4.9 billion in April 2023. This increase was largely driven by increased exports of gold (75.7%), coffee (21.9%), oil re-exports (21.8%), sim-sim (20.2%), tobacco (10.3%), cotton (6.9%), and light manufactured products (4.9%).

The 2024/2025 national budget marks the beginning of an ambitious journey by the Uganda Government to drive Uganda's economy to greater heights (tenfold) from USD 50 billion in FY 2022/23 to USD 500 billion in the next 15 years through the anchor sectors of agro-industrialisation, tourism development, mineral development, including oil and gas, as well as science, technology and innovation.

Uganda most rewarding economy

The Minister noted that, according to the 2024 Annual Investment Meeting (AIM) held in Abu Dhabi, United Arab Emirates, Uganda is now the best investment destination in Africa

Related to the above, the Africa Risk-Reward Index for 2023, compiled by Oxford Economics Africa, has ranked Uganda as East Africa's most rewarding economy to invest in after posting one of the biggest positive movements in their overall risk-reward scores between 2022 and 2023.

Uganda's stellar performance doesn't stop at the regional level. The country also emerged as the third most rewarding economy in the broader African context.

"Madam Speaker, as I step off this podium, I would like to call upon all Ugandans to embrace the President's message. Let every adult Ugandan engage in producing a good or a service for sale. That way, we shall be able to create a bigger pie for the greater good of our country. I dedicate this budget to all the wealth creators," said the Finance Minister.

For full version of the speech visit: www.finance.go.ug

Finance Minister Kasaija and his Ministers of State at Office shortly before they left for Kololo

(L-R) Chief Justice Owiny- Dollo,his Deputy Richard Buteera,NRM 1st National Vice Chairman,Al-Hajji Moses Kigongo and NRM Secretary General, Richard Todwong at Kololo for the Budget Reading

H.E the President signing the visitors book after being recieved by the Speaker Anita Among and her Deputy Thomas Tayebwa

Members of Parliament listening to the Budget Speech

CSOS HIGHLIGHT SCORES AND MISSES IN THE 2024/2025 BUDGET

By MoFPED Comms Team

Civil society organisations (CSOs) have commended government for earmarking more resources for wealth creation initiatives that are aimed at improving the economic welfare of Ugandans.

PSST Ggoobi poses for photo with partners at the CSO post-budget dialogue

During a post-budget high-level policy dialogue at Golf Course Hotel on June 18, 2024, the Executive Director of ACODE, Dr. Arthur Bainomugisha, commended government for its good economic policies which have enabled Uganda to have one of the lowest inflation rates in the world and one of the highest rates of economic growth, at 6%.

"At our economic growth of 6%, which is above the global average of 2.8%, and Africa's average economic growth of 3.8%, it means good progress made. Even in the region here, Kenya is at 5.6% and Tanzania at 5.4%. It is only Rwanda that performed better than us at 8%. We commend the Finance ministry for the work well done in growing our economy," Bainomugisha stated.

Noting that a lot of money that would be earmarked for improving the economic welfare of Ugandans is swindled by corrupt government officials, Dr. Bainomugisha commended government for the recent tough measures undertaken against the corrupt, which have included arresting high-ranking government officials.

"We need to applaud the President for what he is doing on the corrupt, especially in Parliament. Parliament had become transactional," he argued.

The ACODE head commended government for the continued significant funding for the Parish Development Model (PDM), which he said will greatly help in driving the 38% of Ugandans in subsistence into the money economy.

He implored those who are responsible for implementing PDM to ensure the existing weaknesses are addressed, for instance cases of corruption which lead to beneficiaries getting less than what they are supposed to get.

Dr. Bainomugisha noted that more needs to be done to ensure prudent management of the public debt to ensure more resources are available for service delivery.

Julius Mukunda, the Executive Director of Civil Society Budget Advocacy Group (CSBAG), commended the transparency of the Finance ministry in providing information on the national budget which makes Uganda the best in the whole of East Africa.

In line with the theme of the conference of turning challenges into opportunities, Mukunda implored Ugandans to make use of the opportunities in the national budget which appear in various forms, including in the wealth creation initiatives.

"I advise Ugandans to create savings groups through which they can benefit from PDM funds and Emyooga funds. That money will not find you in your bed," Mukunda advised.

He also pointed out the World Bank project for women entrepreneurs for which Shs 800 billion has been earmarked, Shs 30 billion for the Agricultural Credit Facility and an Shs 55 billion additional funds for Uganda Development Bank as key opportunities available for Ugandans.

"We ask Ugandans to position themselves to benefit from all these funds in the national budget," Mukunda stated.

He commended Government for the ambitious target of driving Uganda's economy from the current USD 53.3 billion to USD 500 billion, arguing it is achievable as long as Government resolves to do things differently through being more effective, eliminating corruption and wastage, and allocating more resources to the growth sectors of the economy which have high economic returns.

Noting that Uganda has the highest interest rates in the region, Mukunda implored Government to undertake all the necessary measures to reduce the cost of capital to make Uganda's economy more competitive.

Mukunda advised the Finance ministry and URA to ensure they partner with Local Governments to collect more taxes like the rental taxes and property taxes across the country.

What the PSST said

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, said the biggest hindrance to the socio-economic transformation of many Ugandans has been the tendency to focus on challenges instead of focusing on opportunities.

"Even in our academic institutions when they are teaching research, they emphasise the statement of problem and not the statement of opportunities. I call upon all Ugandans to start stating the opportunities and not only problems," Ggoobi stated.

He implored Ugandans to focus on the key growth sectors of commercial agriculture, services, industrialisation and the ICT sector because that is where Government money will increasingly be channelled.

"If you engage in those four areas, you are likely to tap into the Government opportunities," he suggested.

The PSST allayed fears about the escalating public debt, arguing that Uganda's debt is still sustainable.

"Government of Uganda borrows at between 0.5% and 5%. A big portion of the money we borrow is through concessional lending. The good news is that we don't borrow to give to people to buy cars. We borrow for things like infrastructure projects which greatly boost our economy. We shall borrow for the Standard Gauge Railway, tourism roads, and electricity," he explained.

Ggoobi asked Ugandans to utilise funding opportunities in the budget through UDB, PDM, Emyooga, Agriculture Credit Facility, and the Small Business Recovery Fund to support their investments and improve their economic welfare.

Calling PDM a game changer, Ggoobi explained that it is targeting ordinary poor Ugandans who are outside the money economy, adding that money is given to those who are ready to use it after verification.

He noted that the uptake of the Shs 200 billion Small Business Recovery Fund was low because many business owners in Uganda are yet to formalise their businesses.

Ggoobi explained that through the World Bank project of Shs 824 billion, they will support and graduate women-owned businesses into formal enterprises.

He also revealed that another USD 210 million (Shs 800 billion) has been earmarked for a new project of Investment for Industrial Transformation and Employment (INVITE) through which Government will be supporting exporters of manufactured goods.

Ggoobi also launched the citizen

feedback platform designed by the Office of the Auditor General to bridge the gap between citizens and government.

This dialogue was organised by the Advocates Coalition for Development and Environment (ACODE) and the Civil Society Budget Advocacy Group (CSBAG) in partnership with the Ministry of Finance under the theme: "**Transforming challenges into opportunities: Prioritizing Economic Growth with a focus on people-centred budget outcomes".**

The post-budget dialogues are part of the budget month activities organised in line with the Budget Transparency Initiative (BTI) which is aimed at promoting budget transparency and accountability, by popularising the budget and increasing the participation of citizens in the budget process. This post-budget dialogue gave an opportunity to the citizens to digest the budget for FY 2024/25 and understand the opportunities that lie therein.

ABSA - NTV Post-Budget Dialogue

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, delivered the keynote address at the dialogue, reiterating the priority areas of the budget and these are, among others: investing in the people through (education, health, water, sanitation and hygiene to the tune of 10.2 trillion); peace and security; maintenance of roads; construction of a few strategic roads as well as rehabilitation of the Metre Gauge Railway and construction of the Standard Gauge Railway; wealth creation initiatives; and electricity.

He said that while preparing the budget for FY 2024/25, Government was guided by five key principles, namely: strengthening domestic revenue mobilisation; strengthening public finance management; repurposing the budget towards high economic growth areas; improving efficiency in the execution of projects and other public investments; and borrowing for only strategic high-impact interventions.

Ggoobi said the Shs 72 trillion is a big budget because Uganda's economy is getting bigger and it is a big good budget, adding that Ugandan should take advantage of the opportunities in the strategy to grow the economy tenfold.

"The ambition to grow the economy tenfold comes at a time when the country has returned to its historical economic steady-state growth potential of 6 to 7% per year from a low 3% in FY 2019/20 and an average NDP growth of 5%," said the PSST.

He said Uganda has joined the league of nations in the medium human development category and has also met the criteria for graduating from the world's list of 45 Least Developed Countries (LDCs).

The NTV General Manager, Johnson Omolo, called upon Government to strengthen domestic revenue mobilisation,

PSST Ggoobi and other panelists at the post budget dialogue

PSST Ggoobi(M) in group photo with officials at Private Sector national Post-Budget dialogue

including tax education, and also cut down on domestic borrowing to avoid crowding out the private sector.

He said Government should also prioritise payment of domestic arears and guard against wastage of public resources.

The Managing Director ABSA Bank Uganda, Mumba Kalifungwa, commended Government for driving economic growth and creating an environment that supports sustainable development, adding that this dialogue was an opportunity for open communication between the private sector and the public sector to grow the economy.

Private Sector National Post-Budget Dialogue

Private Sector Foundation Uganda (PSFU) organised the post-budget dialogue for FY 2024/25 to account to its members on the advocacy milestones during FY 2023/24 and the opportunities in the FY 2024/25.

The PSST, who graced the dialogue at Emin Pasha Hotel in Nakasero, Kampala said beyond popularising the budget, more effort is needed to ensure that every citizen takes advantage of the opportunities in the budget.

"We need to expand the economy tenfold. We have a good plan to grow the economy of Uganda and we shall do it," said the PSST, adding that Ugandans should start believing in big ideas.

The PSST highlighted the priorities of the budget, including investing in the people of Uganda to remain healthy and educated with access to safe water and a clean environment.

He said the Public Procurement and Disposal of Public Assets (PPDA) regulations amended recently, among other things, promote the use of procurement as a tool for socio-economic transformation.

"This amendment will enhance reservation of selected procurement opportunities for small and medium enterprises and special interest groups," said Ggoobi.

A Central Government entity is now required to reserve procurement requirements for supplies of works, consultancy and non-consultancy services whose value does not exceed Shs 30 million to registered associations of women, youth and persons with disabilities. At Local Governments, the threshold is Shs 10 million.

The Vice Chairperson of PSFU, Sarah Kagingo, commended Government for increasing the budget for agro-industrialisation but proposed more investment in research, disease control and de-risking of agriculture through increased production and productivity, adding that more support is also needed for agricultural mechanisation, irrigation systems and seed multiplication.

She also called upon Government to maximise the potential in the tourism sector by investing more in tourism roads and sustainable tourism practices.

TAX MEASURES FOR FY 2024/25

Director Economic Affairs Moses Kaggwa speaking at EAC Post Budget dialogue FY 2024/25 on tax and debt in Kampala

The tax measures for FY 2024/25 are designed to foster economic growth, ensure fair taxation, and streamline administrative processes.

Projected revenues for FY 2024/25

In FY 2024/25, domestic revenues are projected to amount to **Shs 31,981.93 billion**, of which tax revenue is **Shs 29,365.79** billion and **Shs 2,616.14 billion** will be non-tax revenue.

Compared to the projected outturn for FY 2023/24, which is **Shs 27,685.03 billion**, the projected revenue of FY 2024/25 translates into a growth of revenue of **Shs 4,296.90 billion** (15.5%).

The revenue projection for FY 2024/25 is based on the following assumptions:

i. **Shs 2,340.76 billion** will be collected as a result of growth in productive activities in the economy.
ii. **Shs 445.58 billion** will be collected as a result of the new tax policy measures.
iii. **Shs 1,191.27 billion** will be collected from tax administration measures.
iv. **Shs 319.29** billion will be collected from non-tax revenue measures.

1. **Strategies for Revenue Enhancement for FY 2024/25**

In March 2024, the Ministry of Finance, Planning and Economic Development presented a National Budget for FY 2024/2025 to Parliament and.

The proposed budget was accompanied by five tax amendment bills:

A. Tax Procedure Code (Amendment) Bill, 2024;
B. Income Tax (Amendment) Bill, 2024;
C. Value Added Tax (Amendment) Bill, 2024;
D. Excise Duty (Amendment) Bill, 2024; and
E. Stamp Duty (Amendment) Bill, 2024.

All the bills were passed by Parliament and when assented to by H.E. President Yoweri Museveni will become law effective July 1, 2024.

Key Tax Policy Measures for FY 2024/25

A. **Tax Procedures Code Act**

1. Tax Amnesty: Waiver of interest and penalty on payment of principal tax by 31st December 2024:

i) Any interest and penalty outstanding as at 30th June 2023 shall be waived where the taxpayer pays the principal tax by 31st December 2024.
ii) Where the taxpayer pays part of the principal tax outstanding as at 30th June 2023 by 31st December 2024, the payment of interest and penalty shall be waived on a pro-rata basis.

B. **The Income Tax (Amendment) Bill, 2024 (*Key Amendments*)**

Tax Exemptions

1. Exemption of the income derived by a private equity fund or venture capital fund regulated under the Capital Markets Authority (CMA) from investing in a private company in Uganda.

2. Exemption of the income derived from the disposal of Government securities on the secondary market.

3. The list of qualifying businesses for the tax holidays has been reviewed to include:

i. Income from the manufacture of an electric motor vehicle, electric battery, or electric charging equipment or fabricating the frame and body of an electric vehicle.
ii. Income of a person, who develops, establishes or operates a specialised hospital facility.

4. Expanding the list of Listed Institutions to exempt the income of the following institutions by listing them under the 1st Schedule of the Income Tax Act:

i. African Reinsurance Corporation (Africa Re);
ii. Islamic Cooperation for the Development of the Private Sector (ICD); and
iii. International Regulatory Board of the Eastern African Power Pool.

Withholding tax

5. Withholding tax of 10% on commission paid to payment service providers.

Updating the international taxation rules for clarity

6. Updating the international taxation rules for clarity and simplicity by introducing the concept of permanent establishment to mean a fixed place of doing business and provide for net taxation of royalties, dividends, annuities and rent attributable to a permanent establishment in Uganda.

C. **Value Added Tax (*Key Proposals*)**

	Value Added Tax
1	Increase the threshold for VAT claimable from Shs 5m to Shs 10 million.
2	The supply of goods or services by an employer, who is a taxable person, to an employee shall be regarded as a taxable supply.
3	In the case of supply of goods through auction, VAT is to be paid by the recipient of the proceeds from the auction. (*Previously, the supply of goods through auction was treated as a supply of goods made by the auctioneer as the supplier.*)
	Added to the Exemption List/Exempt from VAT
5	The supply of an electric vehicle locally manufactured or supply of the frame and body of an electric vehicle locally fabricated.
	The supply of electric vehicle charging equipment or supply of charging services of an electric vehicle.
6	The supply of cooking stoves that use fuel ethanol, assembled in Uganda, up to 30th June 2028.
7	The supply of safety headgear.
8	Manufactures an electric motor vehicle, electric battery or electric charging equipment or fabricates the frame and body of an electric vehicle.
9	The supply of goods and services to contractors or sub-contractors of hydro-electric power, solar power, geothermal power or biogas and wind energy projects and does not include goods and services used for personal and domestic purposes.
	Repealed/Removed from the Exemption List
10	Repeal the VAT exemption on royalties paid in respect of agricultural technologies.

D. **Excise Duty**

	Excisable good or service	**Current duty rate**	**Proposed duty rate**
1	Petrol (Motor spirit/ Gasoline)	Shs 1,450	Shs 1,550
2	Diesel/Gas oil	Shs 1,130	Shs 1,230
3	Imported wines	80% or Shs 8,000 per litre (whichever is higher)	100% or Shs 10,000 per litre (whichever is higher)
4	Opaque beer	20% or 230/- per litre (whichever is higher)	12% or 150/- per litre (whichever is higher)
5	Any other alcoholic beverage locally produced	20% or 230/- per litre (whichever is higher)	12% or 150/- per litre (whichever is higher)
6	**Un-denatured spirits** Un-denatured spirits, of alcoholic strength by volume of 80% or more made from locally produced raw materials (**Local**) Un-denatured spirits, of alcoholic strength by volume of 80% or more made from imported raw materials (**Imported**)	60% or Shs 1,500 per litre (whichever is higher) 100% or Shs 2500/= per litre (whichever is higher)	60% or Shs 5,000 per litre (whichever is higher) 100% or Shs 5000 per litre (whichever is higher)
7	**Ready-to-drink spirits** Any other un-denatured spirits that are: (i) Locally produced, of alcoholic strength by volume of less than 80% (**Local**) (i) Imported with alcoholic strength by volume of less than 80% (**Imported**)	80% or Shs 1,700/= per litre (whichever is higher)	80% or Shs 1,700/= per litre (whichever is higher) 100% or Shs 5,000/= per litre (whichever is higher)
8	Mineral water, bottled water and other water purposely for drinking	10%	10% or Shs 75 per litre (whichever is higher)
New excisable products			
9	Impose excise duty on cementitious products to include adhesives, grout, white cement and lime		Shs 500 per 50 kg

URA Commissioner General Musinguzi Rujoki (L) consults Finance Minister Kasaija while appearing before PAC- COSASE in Parliament

TAX MEASURES

10	Impose excise duty on cash withdrawals provided through a payment system but does not include withdrawal services provided by financial institutions and their agents		0.5% of the value of the transaction
11	Impose excise duty on powder for reconstitution into beer as an excisable item under the Second Schedule		Shs 2,500 per kilogram
12	Construction materials of a manufacturer of an electric vehicle, electric battery or electric vehicle charging equipment or fabricator of the frame and body of an electric vehicle whose investment capital is at least USD 35 million in case of a foreigner or USD 5 million in the case of a citizen		Nil
13	Impose new penalty for non-filers		

E. **Stamp Duty**

1. Nil stamp duty on transfer or issuance of shares or other securities, to or **by an investor in private equity or venture capital fund** regulated under the Capital Markets Authority Act, Cap. 84, or of shares or other securities **to or by a private equity or venture capital** fund regulated under the Capital Markets Authority Act, Cap. 84.

2. Nil stamp duty on nominal share capital or any increase of share, acquired **by an investor in a private equity or venture capital fund** regulated under the Capital Markets Authority Act, Cap. 84, or **by a private equity or venture capital fund regulated** under the Capital Markets Authority Act, Cap. 84.

Tax Administration Measures

URA continues to increase revenue mobilisation through various initiatives and reforms and ensure broader compliance and transparency within the tax system that include:

I. Efficiency improvement measures

i. Structural review and recruitment of new staff to majorly improve the footprint of tax collectors in the unreached areas, improve risk management and strategy, closely monitor tax expenditures, and improve supervision. This will involve:

- Realignment and redeployment of all impacted staff in the functional areas.
- Recruitment to fill new positions.
- Reskilling and retooling for role-matching.
- An extensive organisational change management and re-orientation programme for culture-fit.

ii. Development of oil and gas monitoring system.

- Section 57 of the Public Finance Management Act (2015), as amended, mandates URA to collect and receive all petroleum revenues due to the Government of Uganda.
- In the light of recent progress in the oil and gas sector, Uganda expects to commence commercial production of crude oil (first oil) by end of 2025.
- The solution is expected to be developed from an agile perspective –

for every agreed design and module, migration and development for the designed component are released.

iii. Disaster Recovery Cyber Security Infrastructure. (This will improve public trust and confidence in sharing data with URA.)

Improved automation with cybersecurity remains mission-critical for revenue administration. Improving compliance with industry standards to provide security of all data or information shared with URA.

iv. Automation of tax waivers within the e-tax system to operationalise extension of waiver of the arrears.

v. System for automatic exchange of information to enhance investigations and intelligence gathering.

- This will enhance access to information on cross-border transactions of multinationals and improve information security in line with the requisite confidentiality laws. A quality IT system is planned for this initiative.
- This system will also ensure compliance with the international standard and requirements of interface with the Organisation for Economic Cooperation and Development (OECD) Common Reporting System (CRS).

vi. Develop a URA Tax Academy.

- The initial phases of this initiative are envisaged to begin in FY 2024/25. The long-term purpose of a fully-fledged Tax Academy is to augment the Authority as a Centre of Excellence in Tax Policy and Administration, fostering transformational leaders and a professional, proficient and resilient workforce.
- It will augment research and innovation, spiraling revenue mobilisation; enhance consultancy and advisory services nationally and regionally; and transform the taxpaying culture, facilitating compliance and spurring efficient revenue administration for growth and national posterity.

vii. Acquisition of new and replacement of obsolete computers.

It is intended to meet the latest and current technological demands. Furthermore, URA staff numbers have increased, thus the need for more investment in IT tools and systems.

viii. Acquire a yard for impounded goods, trucks and vehicles.

This yard will ensure the safety of impounded goods, including trucks and vehicles. Currently, all these items are kept at the URA Nakawa Head Office premises, which causes congestion and a poor ambiance. A separate yard will provide more space at the Headquarters and will improve the management of affected goods.

ix. Implement the URA Digital Strategy. This will include:

a. SKU-Harmonisation: Prefilled web return for Local Excise Duty (LED) tax returns.

b. Exports fiscalisation: Fiscalisation of exports and EAC transfers in ASYCUDA.

c. Implementation of Electronic Disperser Controllers.

d. System Integrations:

i. IFMS and E-Tax:

- Automating controls for VAT and income tax exemptions on the integrated financial management system (IFMS) to improve the efficiency of MoFPED as a Withholding tax (WHT) agent.
- Ensuring only VAT-registered taxpayers can raise VAT-inclusive tax invoices on IFMS by implementing automatic tax type verification.

ii. EFRIS- IFMS

This will improve compliance of all Government suppliers on a cash basis accounting by ensuring that they issue EFRIS invoices and URA receives payment notifications.

iii. E-Tax-BoU

This will lead to automated revenue reconciliations and remove the manual administrative overheads.

II. Domestic taxes focused measures:

i. Strengthening and enforcement of the Electronic Fiscal Receipting and Invoicing System (EFRIS) through:

- Online monitoring of all devices/ tills using the EFRIS system.
- Rationalisation of the EFRIS penalty regime.
- Training of users (clients).

ii. Strengthening and expanding Digital Tax Stamps (DTS) adoption through:

- Use of UNBS data to increase the DTS register.
- Increasing automation of lines at manufacturing sites.

iii. Strengthening the Rental Tax Management Unit to improve compliance and revenue mobilisation across the country.

iv. Following up on collections from all concluded audits. Approximately 1,225 audits will be completed by the end of FY 2023/24, with a tax assessed of **Shs 528.68 billion** for recovery in FY 2024/25.

v. Following up on collections from completed Alternative Dispute Resolution (ADR) cases to recover over Shs 263 billion, which remains outstanding by the end of the current FY.

vi. Following up on taxpayers who received payments from the Government for goods and services rendered but have not paid their tax obligations.

vii. Stepping up administration and compliance enhancement initiatives to support litigation, investigations, debt collection, domestic tax arrears management initiatives, and undertaking seizure activities to deter, detect and prevent tax fraud.

viii. Continuing with the adoption of the ADR initiative as it has registered success in settling some high-level cases and amicably resolved disputes with taxpayers. This has encouraged voluntary tax compliance among the taxpayers and led to a reduction in arrears.

ix. Expansion and re-tooling of the tax education function to effectively equip all the taxpayers with the relevant knowledge of their responsibilities, rights and obligations as stipulated in the tax laws of Uganda.

x. Expanding URA presence and coverage:

- Opening up more liaison offices currently needed in Bweyale, Kapchorwa, Kagadi, Kayunga and Kisoro districts – Cyanika and Bunagana.
- Ensuring Domestic Taxes Service points at most active customs stations to facilitate trade and closely monitor the DT taxing points of Malaba, Elegu and Mpondwe.
- Increasing the URA footprint in the four municipalities of Kumi, Kisoro, Ntungamo and Lugazi by leveraging the TREP One-Stop Shops located at the municipal council offices.

III. Customs revenue focused measures:

i. Optimising the Non-Intrusive Inspection (NII) initiative.

- **Sector-based image analysis** at the secondary function, especially for the non-dutiable and exempt goods category.
- **Introduction of case management end-to-end alerts reconciliation process** that includes both examination and valuation processes.

ii. Improving management of the bonded warehousing function.

- Regular staff rotations mechanism aimed at breaking *agent-importer- bond keeper-staff collusions.*
- Separation of transit sheds/ Internal Container Depots (ICD) and export processing areas to address the risk of cargo loss or smuggling out of the bonds.
- Reduction in the goods clearance time from 3 to 2 days.

iii. SMART enforcement to curb smuggling.

- Joint border surveillance and patrols in ungazetted areas aimed at curbing smuggling.
- Joint task force interventions in cargo examination and valuation risks.

iv. Acquisition of drones for porous border management.

v. Strengthening enforcement intervention.

- Joint sealing of cargo with Kenya Revenue Authority at Mombasa and Jomo Kenyatta International Airport; daily reconciliation of cargo destined to Uganda against seal activation.

WHY UGANDA IS THE PRIME INVESTMENT, TRADE AND BUSINESS HUB IN AFRICA TODAY

Uganda, the Pearl of Africa, is situated along the Equator. It is indeed a unique and very attractive country endowed with diverse and spectacular natural features (flora and fauna), such as forests, mountains, lakes, savannas and wildlife.

President Museveni holding the award won by Uganda at the Annual Investment meeting in UAE as the best Investment destination. Finance Minister Kasaija presented the Award to H.E the President

By Shaka Isaac

Uganda, the Pearl of Africa, is situated along the Equator. It is indeed a unique and very attractive country endowed with diverse and spectacular natural features (flora and fauna), such as forests, mountains, lakes, savannas and wildlife.

Uganda boasts fertile and well-watered soils. Nearly 20% of the country is covered by freshwater bodies and is home to the source of the mighty River Nile, the longest river in Africa and the second longest in the world. Uganda also hosts the largest part of Lake Victoria. Uganda's wealth in natural resources and its geographical location in the heart of sub-Saharan Africa gives it an ideal strategic base to become a regional business, trade and investment hub.

Uganda's scenery ranges from savannah grasslands to the ice-capped mountain peak of the Rwenzori Mountains. We are home to half of the world's remaining mountain gorillas, as well as chimpanzees and the Big Five (Elephant, Lion, Rhinoceros, Leopard, and Buffalo) – courtesy of more than 24 National Parks, Wildlife Reserves, and World Heritage Sites.

Economic Outlook

Uganda's USD 53 billion economy enjoys growing forward-and-backward market linkages within the USD 300 billion East Africa Community economy – the fastest-growing and most diversified economic bloc on the African continent at USD 1,100 billion (FY 2023/24).

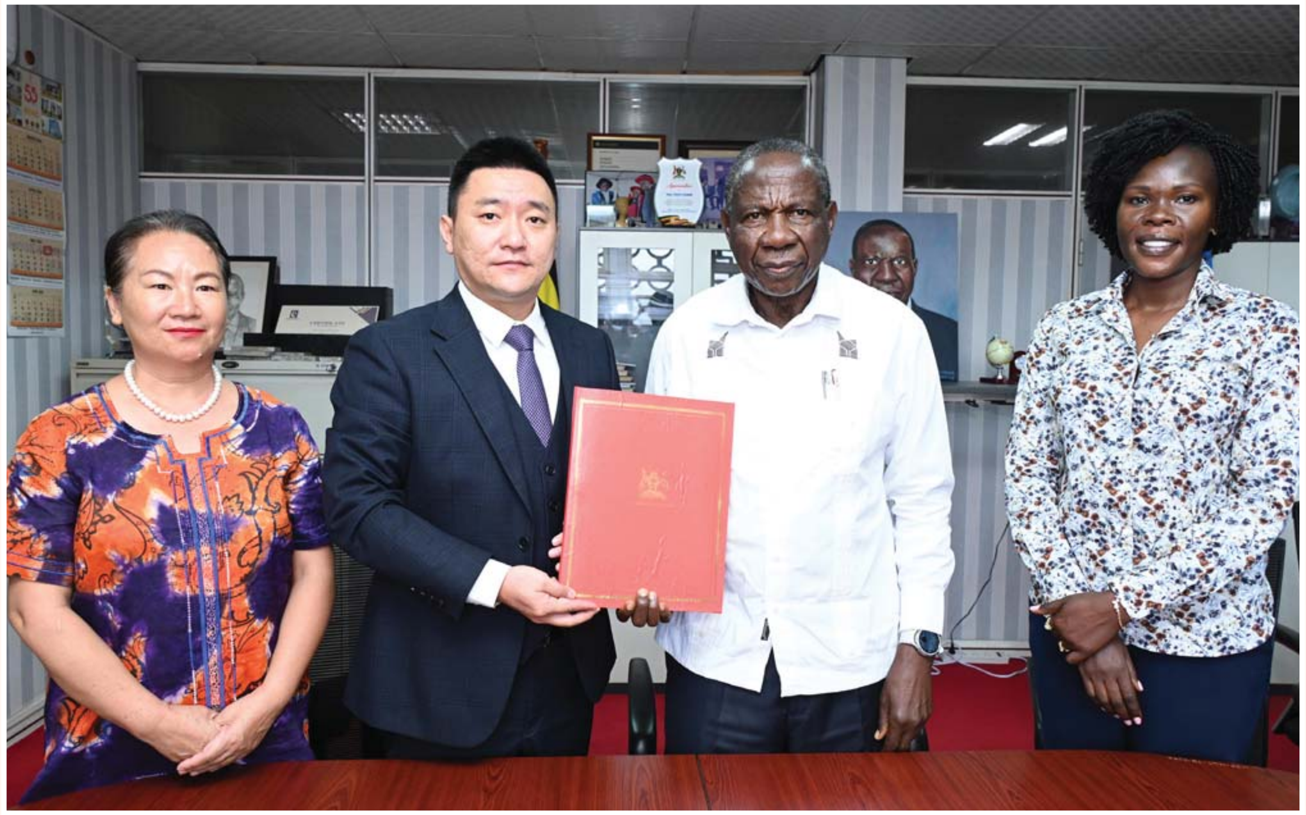
Uganda's fast-rising GDP per capita promises a sustainable market for local production of fast-moving consumer goods and services, making the country a growing magnet for Foreign Direct Investment (FDI) inflows. UNCTAD's World Investment Report 2023 highlighted Uganda as one of the countries attracting the most FDI in East Africa. FDI inflows to Uganda amounted to USD 2.46 billion in FY 2022/23 and by December 2023/24, additional FDI amounting to USD 1.27 billion had been attracted.

Uganda has maintained a relatively stable and robust economic growth rate over the years at an average of about 6%. Uganda is the fastest-growing economy in the East African Community (EAC). Government is considering growth measures to return the economy to a higher growth rate of 7% next financial year and to increase national output tenfold in the next one and a half decades.

The country has been implementing legal and regulatory reforms that have promoted private sector development and attracted foreign investment. Uganda is centrally located, providing access to regional markets like the EAC, the Common Market of East and Southern Africa (COMESA) and the Africa Continental Free Trade Area (AfCFTA), with over 55 member states.

Sound and stable macroeconomic fundamentals, including low inflation (below 5%), stable exchange rate and predictable economic policies, have translated into rising private investments across all the major sectors of the economy – hotel and hospitality; minerals and mining; oil and gas; manufacturing; and agro-manufacturing. According to the Uganda Investment Authority (UIA), the United Kingdom was the leading source of planned FDI inflows in 2022 (USD 5,112.6 million), followed by China (USD 1,095.4 million), India (USD 968.8 million), Kenya (USD 242.6 million) and Singapore (USD 221.1 million).

With 45.9 million people and with 50% of the population below 17 years, Uganda has one of the youngest population in Africa. Uganda's health and education outcomes have dramatically improved in the last three decades. Life expectancy at birth has increased from 63.8 years for males in 2016 to 65.2 years in 2022, while that of females increased from 67.8 years to 68.9



Finance Minister Kasaija & State Minister for Investment & Privatisation,Anite with Acacia Foundation Investors who are protecting the environment by recyling plastic bottles in Uganda.

PSST Ggoobi and his technical team visiting the ongoing USD 100 Million Roofings Group Steel Rolling Mills investment extension at Namanve Industrial Park

years during the same period, adult literacy is nearing 80% and per capita income has increased from USD 1,081 in 2022/23 to USD 1,146 in FY 2023/24.

We have a rich and promising history of resilience and transformation, a friendly and resilient people who have overcome a violent history and exploited cultural diversity to set the economy on a steady path of transformation across the entire country. With 56 constitutionally recognised tribes and about nine indigenous communities, Ugandans are culturally diverse yet amazingly united. Globally, we are renowned for our exceptional command of the English language and athletic sportsmanship. Uganda has attained several gold medals in international competitions, including the Olympic Games Commonwealth Games and the 2023 International Athletics Competitions.

"Uganda is a beacon of security in the region and investors can be sure that they will be safe in Uganda and that their property is secure. Uganda has enjoyed the longest period (over 30 years) of uninterrupted leadership in a secure environment since independence, which has enabled the Government to put in place the required infrastructure and promote education to make available a skilled labour force.

Uganda's track record as a preferred investment, leisure and residence destination is undisputed. Looking at it from an international, continental or regional context, Uganda stands out. The Ugandan Government offers various investment incentives to attract foreign investors, and these include tax exemptions, tax holidays, preferential trade agreements, and repatriation of profits. There are also special economic zones and industrial parks that provide additional benefits to investors, such as free access to the investment license and free land. In addition, the Government continuously reviews and reforms its business facilitation regime to ensure an improved business environment. Main undertakings in this regard include the implementation of business-friendly policies, streamlining institutional frameworks to ease bureaucratic processes, and enhancement of investor protection.

Unexploited natural resources: Uganda is rich in natural resources, including oil, gas, minerals, fertile land and water resources. The discovery of significant oil reserves and ongoing investments in the energy sector make Uganda an attractive destination for companies especially in the oil and gas industry.

Exports of unprocessed agricultural commodities: Uganda has vast agricultural potential due to fertile land and a favourable climate. The agriculture sector offers opportunities for investment in areas such as agribusiness, food processing and export-oriented agriculture, given that Uganda continues to export unprocessed commodities. Whereas the NDP III identified commodities such as meat, dairy and maize as key for supporting the export promotion agenda under the agro-industrialisation programme, the range of product exports from those commodities have remained very narrow, hence presenting opportunities to investors.

The dairy industry has realised recommendable growth, with at least nine commodities being exported compared to the world's 10 products. However, approximately 90% of dairy exports in 2022 were semi-processed or unprocessed milk, hence the need to enhance the processing capacity for milk.

Maize and related product exports increased by 258.9% from USD 50.8 million in FY 2021/22 to USD 182.2 million in FY 2022/23. Maize flour exports accounted for 59% of the maize-related exports in FY 2021/22, while corn exports accounted for 36% over the same period.

Beef product exports were composed of mainly sausages and related products; frozen boneless meat; and salted, dried or smoked meat in FY 2022/23. This is too narrow compared to the ten value chain product categories traded on the world market.

Security of life and property: Uganda is a beacon of security in the region and investors can be sure that they will be safe in Uganda and that their property is secure. Uganda has enjoyed the longest period (over 30 years) of uninterrupted leadership in a secure environment since independence, which has enabled the Government to put in place the required infrastructure and promote education to make available a skilled labour force.

Skilled and affordable labour force: Uganda has a higher population of advanced degrees, and therefore a highly trainable and adaptable labour force with a high labour participation rate of over 70%. The average monthly salary for paid employment is Shs 200,000 (USD 50) according to the Uganda Bureau of Statistics (UBOS) National Labour Force Survey, 2021.

Market access opportunities: Uganda has negotiated quota-free and tariff-free access to regional and global markets for investors to exploit. For instance, the following key markets are readily available:

a) The East African Community (EAC) with a population of over 300 million.
b) The Common Market of East and Southern Africa (COMESA) with a population of over 600 million.
c) The Africa Continental Free Trade Area (AfCFTA) with a population of 1.3 billion.
d) Uganda has "everything but arms" trade deal with the European Union.
e) Uganda has trade deals with China and India, investors can access all these markets by domiciling in Uganda.

Recently H.E. the President, Yoweri Kaguta Museveni, received an award from Dubai where Uganda was voted the "best investment destination in East Africa" by the Annual Investment Meeting in the United Arab Emirates in 2023. The following achievements and appreciation from various fronts justify Uganda's position as the best investment, trade and business hub in the region:

i. **Projected among the 5 fastest-growing economies for the coming decade (2021 to 2031), at 7.5% percent annually, by the Centre for International Development at Harvard University (CID, 2023).**
ii. **Selected among the top 10 countries in Africa for industrial development in the 2022 Africa Industrialisation Index ranking by Africa Development Bank (AfDB).**
iii. **Ranked, in 2023, the 3rd most rewarding economy to invest in Africa according to Oxford Economics.**
iv. **Ranked 4th out of 28 participating African countries in the Absa Africa Financial Markets Index in 2022 and 2023.**
v. **Recognised as one of the "best destinations to visit" in the world, according to CNN Travel in 2023.**
vi. **Ranked the 2nd most biodiverse country in Africa in 2020, with a high green investment and carbon offset potential according to the Wildlife Conservation Society (WCS).**
vii. **Ranked the best country in Africa for expatriates to work and the 25th in the world (2016). This was attributed to a range of factors and, most importantly, positivity around learning of the local language; family life; the ease of settling in a given country; and Kampala, the capital city, being considered one of the safest cities in Africa.**

PDM

IMPLEMENTATION OF PDM: WHAT YOU MUST KNOW

The Parish Development Model (PDM) is the NRM Government's long-term strategy to accelerate wealth creation and improve the quality of life for all Ugandans.

PDM is expected to transform **3.5 million** households from the subsistence to the money economy. This is being achieved by a whole of Government approach and focusing efforts around 7 pillars, namely:

1. Agricultural value chain development (production, storage, processing and marketing).
2. Infrastructure and economic services.
3. Financial inclusion.
4. Social services.
5. Community mobilisation and mindset change.
6. Parish Based Management System.
7. Governance and administration.

MoFPED is responsible for planning, budgeting and coordinating the implementation of financial inclusion under PDM. A key intervention under financial inclusion is the PDM SACCOs, which are a centre for integrated service delivery at the parish level.

Capitalisation of PDM SACCOs

Success factors under Pillar 3 is building a critical mass of profitable, competitive and market-oriented family owned agro-based enterprises/ businesses.

To this end, In FY 2021/22, **7,855** PDM SACCOs in 151 Local Governments were capitalised with **Shs 72.192 billion.** In FY 2022/23, **10,585** PDM SACCOs were fully capitalised with **Shs 1.059 trillion.** In FY 2023/24, **10,589** PDM SACCOs were capitalised with Shs 100 million each. The funds have been provided to kick-start leading activities at the parish for the benefit of transforming the subsistence sector. A total of Shs 2.4 trillion has so far been provided. For FY 2024/25, Shs 1.059 trillion has again been provided for an additional Shs 100 million per parish to benefit more households.

PDM services are free aimed at facilitating access to affordable loans at the parish level.

Government policy on disbursement

1. Grace period for the PDM loan is 24 months.
2. Loan repayment shall be within 12 months after the grace period.
3. The loan amount per household is Shs 1 million.
4. The interest payable on PDM loans is 6% per annum.
5. PDM loan beneficiaries are identified and selected through community meetings.
6. MoFPED capitalises each PDM SACCO with Shs 100 million per annum through government banks (i.e. Post Bank, Housing Finance and Pride Microfinance)
7. PDM SACCOs disburses funds to last-mile beneficiaries through the WENDI mobile wallet developed by Government banks.
8. There are no charges to beneficiaries relating to their loan application.
9. Government shall pay administrative costs of Shs 500,000 per annum to cover PDM SACCO administrative costs related to the loan, e.g. transport to visit the borrower's business, photocopying and printing application forms.
10. All loan transactions must be through the Parish Development Management Information System (PDMIS).
11. Disbursement to beneficiaries must follow criteria in Pillar 3 operational guidelines

Criteria for accessing PDM loans

An eligible borrower must be a resident of the respective parish, a member of the respective PDM SACCO and from a subsistence household, as determined at a community meeting. The purpose of the loan is to invest in qualifying agricultural enterprises (poultry, fish, diary, coffee, piggery, fruits and food crops). Households that have already benefitted from EMYOOGA are not eligible.

Key disbursement statistics

A total of **1,164,698** households have so far accessed Shs **1.126 trillion.** The national absorption rate is **98.46%.**

In the first phase, **80%** of the funds were disbursed through bank accounts, while in the second phase **62%** of funds have been transferred to PDM SACCOs via **WENDI**. The benefits of WENDI include: transparency (visibility and traceability of funds); convenience (no need for leaders and beneficiaries to travel to open bank accounts); financial inclusion (leveraging wider mobile phone penetration to extend financial services to household); and lower transaction costs by removing middlemen.

THE PRESIDENTIAL INITIATIVE ON WEALTH AND JOB CREATION (EMYOOGA)

Hon. Haruna Kasolo monitoring Emyooga program in West Budama North,Tororo District

The Presidential Initiative on Wealth and Job Creation (Emyooga) was launched in 2019 as part of the broader government strategies to transform 39% of homesteads from subsistence to market-oriented production. The overall objective of the Programme is to promote job creation & improve household incomes. The program is centred on various specialised enterprises/ categories, covering most Ugandans.

The rationale of the Emyooga initiative is to promote access to and usage of financial services; The specific objectives are the mobilisation of internal resources (savings) and the provision of seed capital to Emyooga beneficiaries.

The Microfinance Support Centre (MSC) is the lead implementing agency and fund manager of the Emyooga programme. Each SACCO operates at constituency level with activities at Parish level (where the Emyooga Parish Associations are registered). MSC operates in 13 regional offices and 5 satellite offices countrywide supported by over 133 client agent/reference institutions and other collaborative and implementing partners.

The Microfinance Support Centre Ltd operates in all the districts of Uganda with regional offices in Arua covering the West Nile sub region, Hoima covering Bunyoro sub region, Jinja with a satellite office in Iganga covering Busoga sub region, Kabale covering Kigezi sub region, Kabarole with a satellite office in Kasese covering Rwenzori sub region, Masaka & Kampala with satellite offices in Kiwoko and Ngoma covering Buganda sub region, Lira covering Acholi and Lango sub regions, Mbale covering Bugisu and Sebei sub regions, Mbarara with a satellite office in Ntungamo covering Ankole sub region, Moroto covering Karamoja sub region and Soroti covering Teso sub region.

According to the design of the program, priority was given to high densely populated areas like Kampala and Wakiso, where savings and credit cooperative organizations (SACCOs) may be formed at either, the parish/ Ward, Zone or Workplace for Kampala and Sub county/Town Council for Wakiso. All active Ugandans from the age of 18 and above can benefit except for the Emyooga for Youth where members should not exceed 35 years. However, even after 35yrs, a member will continue being a member if he/she so wishes. Identification of the different individuals subscribing to a given Category/Enterprise/ Mwooga is done at the Village level with the support of LC1 leadership.

The target beneficiaries for Emyooga are within 18 categories as listed; Women Entrepreneurs, Produce Dealers, Restaurant Owners, Tailors, Market Vendors, Boda-Boda Riders, Salon Operators, Mechanics, Persons with Disabilities, Elected Local Leaders, Youth Leaders, Taxi Operators, Veterans (Orphans and Widows of Veterans), Welders, Fishermen, Performing Artists, and Journalists.

Program Performance:

6,801 Emyooga SACCOs have been formed and capitalized with a total of UGX268BN. In addition, the Emyooga SACCO members have mobilized savings worth UGX85 billion. 607,636 individual beneficiaries have so far borrowed from Emyooga SACCOs through the Emyooga Parish-based Associations across the country and 387,689 jobs created. 46% of the total beneficiaries are women, 25% are youth, 4% are PWDs.

Program Plans FY 2024/25:

The program will improve house hold incomes of over 2M beneficiaries through further disbursement of UGX100 billion to Emyooga SACCOs: The specific activities include;

1. Offering additional capital of (UGX 20 million) to Emyooga SACCOs to increase their portfolio as well as grow the beneficiary enterprises.
2. Establishing common user facilities for specialized Emyooga trades like carpenters, welders, Produce Dealers, Tailors and saloon operators.
3. Conducting specialized training in mind-set renewal, enterprise management, product/service certification and financial management to integrate Emyooga businesses into the national supply chains.

Hon. Haruna Kasolo with Emyooga beneficiaries sharing and testifying about the presidential initiative for wealth creation

UGANDA DEVELOPMENT BANK WINS 'BEST BANK – EAST AFRICA' AWARD

- *UDB receives A+ Rating in AADFI Peer Review*

Uganda Development Bank (UDB), the country's national Development Finance Institution, has been named the Regional Bank of the Year – East Africa at the Annual African Banker Awards.

Now in its 18th edition, the prestigious African Banker Awards celebrate the achievements of individuals and institutions that have contributed significantly to the growth and development of Africa's banking sector over the past year. This year's awards ceremony in particular saw Development Finance Institutions (DFIs) triumph. They emerged as the stars of the show in both institutional and individual recognition categories, underscoring their integral role in the African financial ecosystem.

According to the event organisers, the judges awarded UDB 'Regional Bank of the Year – East Africa' because it showed leadership in every category required of a hugely progressive development bank, making significant contributions in uplifting the lives of Ugandans whilst weathering extreme external shocks, and extending socially and economically supportive lending that improved institutional reach and performance – yet still put powerful green and sustainability strategies at its heart.

African Banker Award Winners ceremony in Nairobi-Kenya on Wednesday 29th May 2024

"We are honoured to receive this coveted award, particularly considering the high-calibre recipients who have received it in the past. Being named Regional Bank of the Year – East Africa is a testament to hard work, dedication, and resolve to not only accelerate financial inclusion in the country but also facilitate Uganda's socio-economic transformation," Ms. Patricia Ojangole, the Managing Director of UDB, said at the award ceremony that was held in Nairobi, Kenya.

This award is given to a bank operating either across a specific region or in one country within a region (North, East, South, West or Central Africa). The winner will have excelled in the banking industry in the region by reaching out to new customer segments, offering innovative products and services, adopting inclusiveness by bringing the unbanked into the banking space, making use of new technologies, and contributing to a stronger financial sector.

Silver Award by the Association of African Development Finance Institutions

UDB also received a Silver Award (A+ rating, under the category of Best Performing DFI) for adhering to the strict prudential guidelines of the Association of African Development Finance Institutions (AADFI), which assess operational efficiency, governance systems, development impact, and overall institutional sustainability, amongst African DFIs. UDB was one of only five institutions on the continent rated A+ and above.

"An A+ rating by AADFi reflects the Bank's commitment to excellence and its dedication to promoting sustainable socio-economic development in Uganda. The Bank has demonstrated its strong commitment to meeting the highest standards of performance. We're excited for 2024 and beyond, with our endeavours inspired by innovation and our commitment to excellence," Ms. Ojangole said while receiving the award earlier in the day.

The Association of African Development Finance Institutions (AADFI) peer review is a rigorous evaluation process that assesses the performance of African DFIs against the Performance Standards for Green and Inclusive Recovery-oriented Services (PSGRS). UDB was assessed on key areas such as governance, risk management, financial management, and impact assessment, among others.

UDB has embraced a holistic sustainability approach, undergoing a comprehensive review of its operations. The awards come as an authentication of the Bank's critical role in enhancing the country's development agenda in alignment with the government priorities.

"I take this opportunity to thank the Government, Board, Management, and staff of UDB for their unwavering commitment towards the growth and success of the Bank," Ms. Ojangole concluded.

About Uganda Development Bank Limited

Uganda Development Bank Limited (UDB) is the country's national Development Finance Institution (DFI) with a mandate to accelerate socio-economic development in the country through sustainable financial interventions, both debt and equity. UDB also offers nonfinancial services, including business advisory and project preparation geared at fostering investment readiness in enterprises. Consistent with this mandate, the Bank supports projects within the private sector that demonstrate the potential to deliver high socio-economic value, in terms of job creation, improved production output, tax contribution, and foreign exchange generation, among other outcomes. These projects fall within the key priority sectors of our economy and are in line with Uganda's development priorities.

UDB aligns its priority sectors with the National Development Plan III (NDP III), focusing on agriculture, industry (to include agro-industrialisation, manufacturing, knowledge-based industries, and extractives) and services (health, tourism and hospitality; education, science, technology and innovation) and infrastructure. Agriculture, agro-industry and manufacturing constitute about 75% of the Bank's portfolio in alignment with the Government focus under NDP III and Vision 2040.

For media inquiries, please contact:

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For more details, please visit: www.udbl.co.ug

UDB Managing Director Patricia Ojangole displaying the awards

EPRC'S 30-YEAR JOURNEY OF IMPACTFUL EVIDENCE GENERATION

Hon Matia Kasaija with EPRC Board of Directors and Senior Management Team

Since its inception in 1993, the Economic Policy Research Centre (EPRC) has played a pivotal role in shaping Uganda's socio-economic landscape. By focusing on evidence-based research, the EPRC has informed critical policy decisions and fostered a culture of data-driven policymaking. Its commitment to capacity building and stakeholder engagement has strengthened Uganda's ability to craft compelling and sustainable policies. As a result, the EPRC has become an integral part of Uganda's economic growth and development journey.

On March 21, 2024, the EPRC held a stakeholders' dinner to mark 30 years of impactful research in Uganda. Several dignitaries from the diplomatic community, Local and Central Government, Government Ministries, Departments and Agencies (MDAs) participated. This article takes you through the think tank's three-decade journey.

Provision of user-responsive policy research and engagement

During the first decade, **1993–2002,** the Centre built the national infrastructure for rigorous research on the broad theme of Poverty Reduction and Structural Adjustments.

During the second decade, **2003–2012,** the EPRC contributed towards accelerating the pace of Uganda's development during the Millennium Development Goals (MDGs). The Centre's research focused on the effects of structural adjustment programmes on poverty, social protection, employment and growth; service delivery in education and agriculture; public expenditure tracking; and potential impacts of the oil discovery on the economy, among other things.

During third decade, **2013 to date,** the Centre has continued to support Government's drive of stimulating renewed inclusive growth that creates employment, particularly

United Nations Resident Coordinator in Uganda Ms Susan Namondo (2nd R) and other guests cut cake during dinner to celebrate EPRC's 30 years anniversary

for the youth and women. This has involved addressing the constraints on domestic revenue mobilisation and public finance management amidst declining donor support, a renewed focus on social protection, service delivery mechanisms, and labour markets focusing on addressing poverty inequality and food insecurity.

Research impacts on policy processes

Over the last three decades, EPRC's research has informed various Government policies, regulatory and programming processes, and actions geared towards delivering its commitments to sustained economic growth and transformation. We highlight some of our key accomplishments:

- Spearheaded, jointly with the Ministry of Finance, Planning and Economic Development (MoFPED), the development of an Agro-industrialisation Agenda for Uganda and the Public Investment Management Strategy for Agro-industry;
- We have done extensive analytical work on poverty trends, pro-poor growth, and the poverty-inequality-growth nexus. This has greatly informed the design, implementation and review of Poverty Reduction Strategies such as the Poverty Eradication Action Plan (PEAP), and the regular monitoring of poverty trends in Uganda;
- Supported the peace restoration process in Northern Uganda by evaluating government programmes, such as the Northern Uganda Social Action Fund (NUSAF) and Northern Uganda Reconstruction Programme (NURP). Our findings informed the design of the subsequent programmes, including the Peace Recovery and Development Plan IV;
- Provided evidence that informed the drafting of the Domestic Resource Mobilisation Strategy for Uganda;
- Spearheaded the development of the National Fertiliser Policy, Strategy and Regulations; and offered technical support and oversight towards developing the Agricultural Finance Policy and Strategy, National Industrial Development Policy, and the National Tea Development Policy. We also extensively contributed to the review of the Sugarcane Policy 2010 and the Sugar Act 2020.

Achievements in institutional strengthening and capacity building

1. In the first decade, we established the Young Professionals/Training Programme to build the capacity for future policy research and formulation in Uganda. However, we halted the programme for some years and then re-introduced it in 2018 to provide placement for the professional development of top graduating students from Makerere University School of Economics.
2. Ventured into conducting large-scale surveys at the household, firm and business levels. We were able to build capacity in this area.
3. Strengthened strategic partnerships and networks both nationally and globally to pursue a common goal of evidence-based policymaking to change the welfare of Ugandans and the global structures that may hinder inclusive and sustainable development. We majorly focused on enhancing domestic institutions and homegrown solutions to address emerging challenges, such as COVID-19, climate change, conflicts, and migration.
4. We have learnt from our experiences to design better-focused strategic plans, seize research and financing opportunities, and strengthen governance and financial systems as well as leadership and in-house research capacities.
5. Development of a pool of researchers for the Centre, the country and the world through our internship, research associate, volunteer research, and mentorship programmes. We have streamlined our recruitment processes to focus on talent development and growth through the ranks, enabling the Centre to retain critical staff.

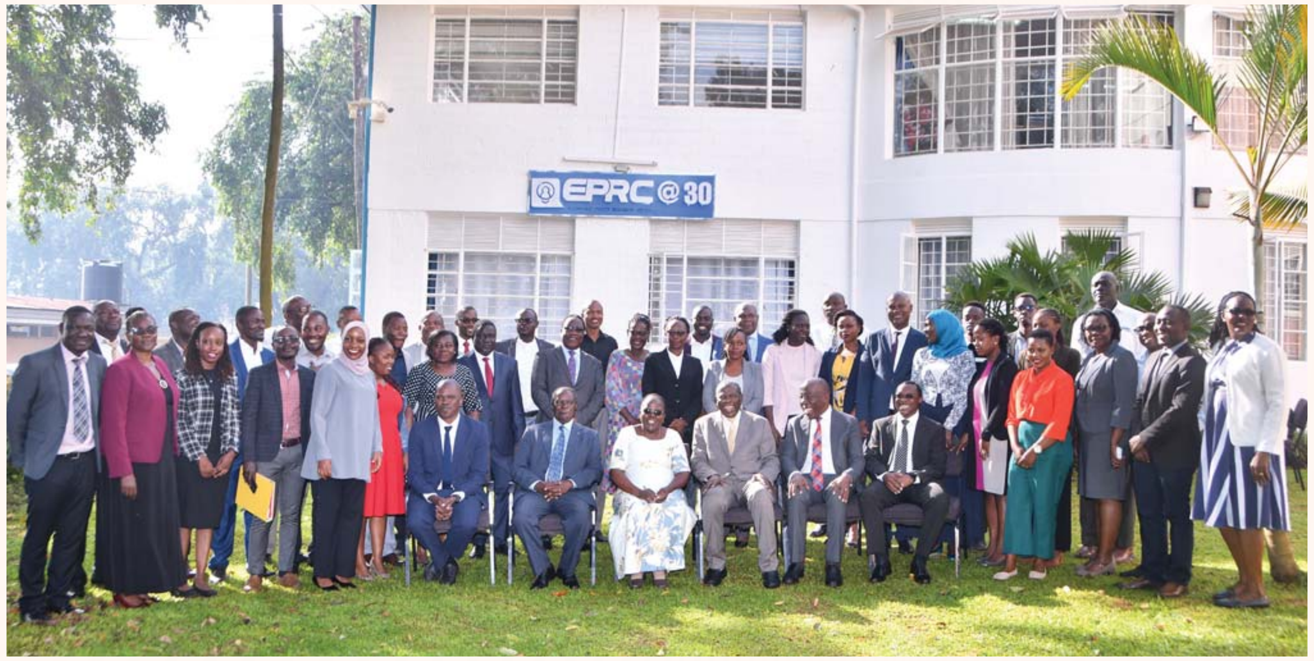
EPRC's future focus

To make its research and policy work more influential, the EPRC intends to take the following actions to maintain its independence as a non-profit policy think tank in Uganda:

1. Aggressive resource mobilisation to ensure continuity of its mandate, in addition to having a bigger home or office premise;
2. A paradigm shift from focusing predominantly on economic policy dimensions to a blend of socio-economic and political economy;
3. Repositioning the Trade and Regional Integration Department to continue undertaking research at the local level but focusing on informing and influencing the continental and global trade policies and development programmes;
4. Re-purposing our stakeholder engagements to focus on citizens' engagement to build trust and ownership of Government policies and programmes;
5. Strengthening our relationship with Makerere University; and
6. Broadening and improving our capacity-building mandate by:
   a) Developing a sustainable post-doctoral training programme targeting fresh PhDs to prepare them for the job market and the policy world;
   b) Institutionalising our secondment programme to create a demand for evidence uptake into the policy processes; and
   c) Re-instituting our international fellowship programme to attract international scholars to work with the EPRC to cross-fertilise ideas, skills, methodologies and technologies in doing research.

In conclusion

This journey would not have been possible without the generous financial support of the Government of Uganda through the Ministry of Finance, Planning and Economic Development. Other institutions, such as Makerere University, the International Development Research Centre (IDRC) Canada, and the Harare-based African Capacity Building Foundation (ACBF), have been instrumental in shaping the EPRC into what it is today. We appreciate everyone's support.



Finance Minister Matia Kasaija in a group photo with EPRC staff when he visited the Centre last November

GROWING THE ECONOMY 10-FOLD IS FEASIBLE

By Apollo Munghinda

Government has projected to raise about Shs 32 trillion in domestic revenue next FY 2024/25 compared to the projection of Shs 29 trillion to be collected this FY 2023/24. This is a significant growth in revenue compared to Shs134 billion collected in FY 1990/91 and a big leap from the paltry Shs 5 billion collected in FY 1985/86 when the NRM Government came to power.

This trend in revenue growth may look rosy to some people, but the truth of the matter is that it is far below the desired growth trajectory. In fact, H.E. President Yoweri Kaguta Museveni has on several occasions made it clear that Uganda has not fully exploited its revenue potential. He believes the economy can grow at a much higher rate than the projected growth rate of 6% to 7% in the medium term.

It should be noted that the highest tax to GDP achieved for the last 33 years stood at 14% in FY 2022/23, below the revenue potential of 18% – 20% and also the sub-Saharan average of 16%. The tax to GDP ratio has been oscillating between 10% and 14% since FY 2009/10 due to a number of factors, including a large informal sector which has led to a narrow tax base, tax policy and administrative gaps, a poor tax-paying culture and corruption, among others.

It is against this background that H.E. the President directed the Ministry of Finance, Planning and Economic Development and the National Planning Authority to develop a strategy to grow the economy tenfold by expanding Uganda's Gross Domestic Product (GDP) from USD 50 billion in FY 2022/23 to USD 500 billion by 2040. Uganda's economy expanded to Shs 184.89 trillion (USD 49.5 billion) in FY 2022/2023, up from Shs 162,750 billion (USD 45.6 billion) registered in FY 2021/22.

In practical terms, achieving this level of economic growth means doubling the size of the GDP every five years for the remaining three National Development Plans (NDPs), which translates into about 17% average GDP growth per annum for 14 years starting FY 2024/25. It also means a sixfold increase in per capita GDP by 2040 (from 4% to12% annual growth rate) and doubling the level of savings in the economy from 20% to 40% to match the required level of investment (40% of GDP).

This transformative development is expected to hinge on four anchor sectors commonly referred to as 'ATMS' and these are: **A**gro-industry development, **T**ourism development, **M**ineral-based development including oil and gas (petrochemical industries) as well as **S**cience, Technology and Innovation (knowledge economy, research and development).

Under agro-industry development, for example, focus will be on strengthening financial inclusion modalities such as the Parish Development Model (PDM) and their linkages to production, improving access to and use of small-scale irrigation, and improving agro-processing along key agricultural value chains.

Beautiful scenery of Lake Bunyonyi, one of the major tourist attractions in South Western Uganda

In the area of tourism development, priority will be given to investments in tourism products such as mountain gorillas and the Source of the Nile, developing and improving tourism infrastructure such as airstrips, roads, internet connectivity, marketing and promoting Uganda's tourist attractions to increase tourist inflows fivefold and also double the average spend and stay per tourist.

For mineral-based development, including oil and gas, the key action areas include investing in exploration and quantification of mineral deposits, setting up the national mining company and fast-tracking the construction of the oil refinery and the East African Crude Oil Pipeline (EACOP).

On the side of science, technology and innovation, government will mainstream information and communication technology (ICT) education at all levels and ensure last-mile internet connectivity. This will be in addition to fast-tracking commercialisation of innovations under the pathogenic economy and prioritising commercialisation of Kiira Motors products and services.

Achieving a higher level of economic growth also calls for a rapid increase in annual foreign direct investment (FDI) inflows from USD 2.9 billion (2022) to USD 50 billion in the medium term and a higher growth rate for manufactured exports coupled with rapid accumulation of the stock and quality of human and physical capital (from a low to a high human development index (HDI) score).

In coming up with the tenfold growth-of-the-economy strategy, Government has put into context global lessons on economic growth and experiences of countries that successfully achieved higher growth levels, such as the four Asian Tigers (Hong Kong, Singapore, South Korea and Taiwan). They experienced rapid industrialisation, high development and increased economic growth rates from the 1960s to the 1990s.

These Asian Tigers share common characteristics, including well developed infrastructures, technological advancement, and a skilled workforce. These economies have demonstrated resilience and adaptability even when the global economy has been volatile.

It should be noted that, at the beginning of the 1960s, what is now referred to as the Asian miracle were low-income countries like Uganda.

Preparation determines success

The National Development Plan IV (NDPIV-2025/26-2029/30) strategic direction was approved by Cabinet on 26th March 2024, together with the strategy for growing the economy tenfold in a transformative, inclusive and sustainable way.

The lessons from the implementation of the previous National Development Plans (NDP1, NDP2 and NDP3) point to the need to shift from only policy reforms to effective implementation of Government programmes.

To effectively deliver public services, for example, Government must comprehensively define and implement minimum service delivery standards for all Ministries, Departments and Agencies (MDAs) and also complete last-mile internet connectivity to all frontline public service facilities. In addition, there is urgent need to finalise automation and implementation of MDAs' data-sharing reforms as well as implementation of a performance rating system for all frontline service facilities such as schools and health centres.

Like H.E. the President has been often guiding on the issue of land management, land fragmentation must be abolished based on a minimum viable size of landholding. This resonates with the urgency of completing universal registration of land in the country.

Necessary preconditions

The future looks bright but Government, in the larger scheme of things, is expected to continue ensuring constitutional order, economic stability with fiscal charter commitments and targets to achieve the national aspirations (tenfold growth). Effective and accountable institutional actions and actors (both public and private) and deeper regional integration are part of the necessary preconditions to bolster Uganda's economy.

This growth trajectory is hinged on strong assumptions that Government will be able to attract patient capital to grow its development finance through Uganda Development Bank, Uganda Development Corporation, Agricultural Credit Fund and the INVITE Fund, among others.

There is also optimism that the share of the informal and subsistence economy will reduce with effective implementation of the Parish Development Model (PDM), Emyooga and other community-empowering programmes.

During this span of time, it is hoped that Government will be able to sustainably grow domestic revenue to an average of about 30% of GDP by 2039/40, and the fiscal consolidation agenda will be deepened across Government with budgets efficiently allocated in favour of transformative priorities at both national and sub-national levels.

It is equally expected that pension savings will grow much faster and larger than the Shs 21.4 trillion in 2023 and coverage of health insurance will grow to match the population share of the labour force (from 1% in 2021 to 48% in 2039/40).

In addition to mobilising affordable low-cost and long-term finance (30–40 years), it is also expected that all commercially run public enterprises will successfully undergo public listing in this endeavour to build an independent, integrated and self-sustaining economy.

Risks to mitigate

For the tenfold growth strategy to be successful, probable risks must be identified and mitigated, such as ideological colonisation and disorientation, historical disengagement, ignorance, strategic economic mistakes and resource capture by the elite, as well as transactional politics, among others.

The fruition of Uganda's dream will largely hinge on strong government leadership, a stable political environment and quality followership, plus a pool of implementation champions across the public sector, supported by a skilled and disciplined workforce.

In conclusion, this is the time for Uganda and Africa at large to heal and stop overstretching the role played by exogenous factors, particularly the double tragedy of slave trade and colonialism, for the continued underdevelopment of the continent.

Africa is projected to be home to the world's largest working-age population by 2040, according to the McKinsey Global Institute Analysis Report, 2023, and smart deployment of Africa's labour force in highly productive jobs will spur economic growth.

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

> **These Asian Tigers share common characteristics, including well developed infrastructures, technological advancement, and a skilled workforce. These economies have demonstrated resilience and adaptability even when the global economy has been volatile.**

POTENTIAL OF THE TEA SECTOR IN UGANDA

PSDU team visiting the tea farms at Rwebitaba ZARDI

By Private Sector Development Unit (PSDU)

Tea is one of the commodities supported under the Parish Development Model (PDM) to create wealth and employment. Tea is grown in seven economic sub-regions by nearly 80,000 households.

Tea is one of the traditional main cash crops grown that contributes greatly to Uganda's GDP and 2.5% to Uganda's exports, making it the fifth largest agricultural export commodity by value.

The tea sector grew from the time of the privatisation of state-owned tea companies until today, when the tea market at the Mombasa tea auction crashed, causing the current tea crisis.

The policy and legal framework

The overall Government policy framework is to ensure a private sector-led tea value chain by creating an enabling environment. Today investment in agriculture is guided by the third National Development Plan. Additionally, a number of agricultural policies and laws guide activities in the tea value chain but not directly. This created the need for a National Tea Policy which is being developed by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and the Ministry of Trade, Industry and Cooperatives (MTIC).

Tea production in Uganda

Production in Uganda is under two systems, i.e. tea estates/plantations (36%) and smallholder farming (64%) of the tea supply.

With an estimated 47,319 hectares (Ha) of land under tea production, the annual green tea production is estimated at 348,473 tons. This volume translates into 80,148 tons of cut, tear and curl (CTC) made tea, showing that productivity is 1,753 kg per Ha against a potential of 4,000 kg per Ha in the region.

Ugandan tea producers are grouped into 13 tea production zones in 26 districts spread across the seven sub-regions of Kigezi, Buganda, Ankole, Tooro, Bunyoro, West Nile and Northern Uganda. The Toro sub-region is the largest tea producer in Uganda with a total green leaf production of 140,92 tons, translating into 32,141 tons of made tea. Ankole and Kigezi come next with 23,675 tons and 10,121 tons, respectively.

Status of value addition and processing

The 19 certified tea companies have 37 plants with a total of 72 CTC processing lines. These have an annual output of 80,148 tons of made tea.

Tea trade

Tea trade in Uganda is composed of 93% exports and 7% local sales and more than 95% of tea exports is through the export auction system that takes place in Mombasa, Kenya.

Uganda's tea exports

Tea is the fifth largest agricultural export commodity by value. Tea exports were estimated at 76,142 tons in 2023 and 70,000 tons in 2022, earning the country USD 83.45 million and USD 88.36 million, respectively.

Competitiveness issues

i. High cost of unreliable power at USD 8 cents/KWh. This increases the cost of doing business, the unreliable power due to load shedding interrupts operations and tea processors have to rely on the use of diesel as an alternative source of energy.
ii. Poor tea product quality and market competitiveness, leading to a low selling price due to low quality.
iii. Low farm yields. The yearly average yield is estimated at 1,753 kg per hectare. This is attributed to low fertiliser application.
iv. The Uganda tea research programme is still in its infancy, hence low genetic potential and germplasm diversity.
v. Lack of regulations in the tea sector and the seed system in Uganda does not cater for regulation of the tea seed sector.
vi. Dependence on the Kenyan brokerage marketing system at the Mombasa tea auction. The Ugandan tea brand ends at Mombasa.

Conclusion

There is a huge expansion potential to be exploited with only 24% of the estimated suitable tea growing areas under tea production (47,319 Ha out of 200,000 Ha). Uganda teas earn less than half of the prices realised by neighbouring countries on the international market despite the availability of comparable growing conditions. The country, particularly smallholder farmers, realise average yields less than 50% of the yield potential actually realised by Kenyan growers. Whereas the tea sector registered growth through the years, a number of challenges still prevail, leaving the sector underdeveloped compared to the potential. The current tea market crisis is largely attributed to poor green leaf quality due to lack of regulations, which is likely to cause a major breakdown as the export price dropped below the unit production cost of USD 1. For the sector to thrive and regain its competitiveness, the Government interventions indicated below are required.

Policy recommendations

i. Enhance capitalisation and access to UDB funds for tea factories to access working capital.
ii. Enhance self-regulation on plucking standards, develop tea standards and expedite the presentation of the tea policy to Cabinet and eventual development of the legal framework.
iii. Increase access to fertiliser by converting the free seedling distribution programme into a fertiliser distribution programme.
iv. Enhance collaboration and linkages to introduce germplasm from either Kenya, China or India to enhance tea varieties in the short run.
v. Enhance public investment in tea research, development and innovation.
vi. Support the development of an alternative tea trade system beyond the Mombasa tea auction.
vii. Leverage the existing digital seed tracking system to develop a component for the regulation of the tea seed sector.

Tea products

SELF-DISCOVERY IS A KEY TO SOCIAL AND ECONOMIC EMPOWERMENT

By Charles Mukasa

Having interacted with a number of people from different walks of life, I have come to conclude that self-discovery is paramount to every one's social and economic empowerment.

We are created and born in unique ways, with unique features and different talents. It is very important for one to understand oneself, i.e. know one's strong and weak points.

Being passionate about something is the key to success in whatever you do. We were created for a purpose, and once you discover your purpose it becomes your mission in life. Your purpose is placed in you and it is your passion capital.

The word 'capital' comes from a Latin word '*capitalis*', which means the head or something very important. Passion capital helps you to conceptualise your environment; thus it helps you formulate concepts that will help you to achieve your life goals. Passion capital is what separates leaders from followers and innovators from imitators.

It is very hard to be socially and economically empowered without discovering yourself. When you think about your passion, the question that comes to your mind is: "What?'' However, when you think about your purpose the question that comes to your mind is: "Why?'' This is because passion is an ego-based emotion, whereas purpose is spiritual.

Self-discovery does not require higher levels of academic qualification and has no age limit because God created us to live a meaningful, purposeful and happy life derived from our intrinsic motivations.

In our daily lives, we are always in pursuit of happiness, but we fall short of discovering our intrinsic core values that ignite our actions and bring joy to our lives. Personal discovery is a journey that we can embark on after discovering a smooth path. For one to achieve one's life purpose and goal it is vital to nurture one's passion.

Remember when you were a kid. Recall what you used to like and dislike. Nobody was telling you to do such, but it was out of your curiosity and excitement. In the journey of life, motivation is not a destination but a perpetual exploration in the quest for constant inspiration. Thus you are the architect of your success or failure.

Always keep the fire of your passion burning brighter to light the path of your dreams. Every step along the way is an opportunity to grow, learn and achieve more.

Discover yourself by asking yourself questions like:

1. What am I good at in particular? This will help you to desist from being an imitator.
2. What mark can I leave for people to see when I am gone; or what is my purpose on earth or workplace?
3. What do I enjoy? Stop pretending; understand yourself.

Personally, I feel proud to be an Accountant. However, I cherish my childhood hobby of being a livestock farmer. Once you discover yourself, the doors for your career development, social and economic progress are open.

The writer is an Accountant at MoFPED

NEWSBITS

Kasaija meets officials from Government of India

Finance Minister Matia Kasaija, together with State Minister for International Relations, Okello Oryem, met a delegation from the High Commission of India in Uganda led by Mr. Dammu Ravi, Secretary (Economic Relations), Ministry of External Affairs of India.

Kasaija applauded the existing cordial bilateral relations between India and Uganda and invited Indian investors to take advantage of the available investment opportunities in Uganda.

The meeting also discussed the available lines of credit worth USD 205.5 million offered to the Government of Uganda by the Government of India.

Uganda is expected to submit ready projects, especially from the Ministries of Energy, Agriculture and Trade.

These lines of credit also have a grant window that Uganda can tap into to get grant funding for studying priority projects. According to Government policy, no project will be cleared going forward without being studied.

Priorities for the lines of credit include grid reinforcement and extension, development of infrastructure for agriculture and the dairy sector, supply and installation of solar-powered water pumping systems etc.

Kasolo monitors performance of Emyooga Program

The Minister of State for Microfinance, Haruna Kasolo, is on a countrywide monitoring visit to assess the performance of the Emyooga Programme designed to improve the livelihoods of Ugandans. During his recent visit to the Bukedi and Sebei sub-regions, the Minister found out that all Emyooga SACCOs had received seed capital.

He noted that SACCOs have utilised the capital well, although cases of mismanagement of funds have been reported in some SACCOs. The Minister directed the Police to investigate the corruption cases. "Emyooga is changing lives," said the Minister while in Tororo, urging the people to invest wisely, own the programme and make it thrive.

Kasolo said enterprise selection is crucial and this responsibility falls on leaders at all levels, adding that effective leadership ensures SACCOs are well managed, transparent and accountable and sustainable.

Finance Minister signs roads financing agreement with Islamic Development Bank

Finance Minister Matia Kasaija attended the 2024 Islamic Development Bank Group Annual Meetings in Riyadh, Saudi Arabia (27-30 April 2024), where he signed a financing agreement with the President of Islamic Development Bank Group, H.E. Dr Muhammad Al Jassar, worth USD 295 million for upgrading national roads.

This funding will go towards the construction of the Masindi-Port Bridge where the ferry crosses river Nile and connects to Renkunye-Apac-Lira Road.

The other road project is Kyenjojo-Kihura-Bwizi-Rwamwanja-Kahunge (68 km)/Mparo-Bwizi (37 km) Road which connects Kamwenge Town to the Kampala-Fort Portal highway.

Kasaija, on behalf of the Government of Uganda, extended gratitude to Islamic Development Bank for the cordial cooperation that exists with the Government of Uganda and also appreciated Islamic Development Bank for establishing a regional hub in Kampala. "I want to affirm that we shall fulfil our obligations under the agreement," said Kasaija.

Islamic Development Bank is the third largest multilateral donor to Uganda, contributing over 20% support in the areas of roads, energy and education, especially in the area of skills development.

The Finance Minister also signed a framework agreement with the Islamic Trade Finance Corporation (ITFC) arm of Islamic Development Bank Group to facilitate trade in Uganda.

Musasizi calls for insurance penetration in the country

The Minister of State for General Duties, Henry Musasizi, officiated at the post-budget breakfast forum for the insurance sector which was organised by the Insurance Training College at Mestil Hotel in Kampala.

Musasizi commended the insurance sector for organising platforms aimed at creating a common voice for advocacy, shared views and comradeship. This particular dialogue focused on the budget for FY 2024/25 with emphasis on aligning the sector to the national goals.

"The budget focuses on several priority areas which I believe the insurance sector can leverage to drive insurance penetration in the country," said Musasizi, highlighting the oil and gas sector, tourism and manufacturing, among others.

DID YOU KNOW?

1

According to the multi-year commitments report 2023, the Public Investment Plan for FY 2023/24 includes 358 projects with a total value of Shs 13,002.6 billion. This amount comprises Shs 5,246 billion from the Government of Uganda (40.3%) and Shs 7,756.6 billion from external sources (59.7%). In FY 2022/23, a budget of Shs 14,566 billion was allocated for the implementation of various projects under the Public Investment Plan (PIP). Out of this, Shs 11,167 billion was released and Shs 10,148 billion was disbursed. This represents a budget performance of 77% and an absorption capacity of 91%.

2

NDP IV (2025/26-2029/30) is the first plan in the second half of the implementation of Uganda Vision 2040, the first plan during the implementation of Government's strategy to grow Uganda's economy tenfold and the last plan during the implementation of the Global Agenda 2030 for the Sustainable Development Goals (SDGs).

3

About 75% of the funds borrowed between 2013 and 2023 have been committed to closing infrastructure gaps in the economy in the areas of energy, transport and internet infrastructure, as highlighted below:

a) Installed capacity for electricity generation increased from 595 MW (FY 2010/11) to over 2,000 MW (FY 2023/24). This should be reliably and affordably transmitted to support value addition and industrialisation;
b) Transport infrastructure has significantly improved. The share of the paved national road network has nearly doubled from 15% (3,121 km) in FY 2012/13 to 29% (6,133 km) in FY 2022/23. This stock of roads needs to be well maintained and complemented with the railway network to reduce the depreciation of roads and lower the cost of accessing the coast;
c) The National Backbone infrastructure expanded from 1,380 km (FY 2010/11) to 4,300 km (FY 2022/23); and internet penetration has risen from 0.2% (2008) to 59% (2023);
d) The number of classrooms in primary schools has increased from 164,833 (2017) to 231,238 (2024).
e) The network of piped water has increased from 14,466 km (FY 2017/18), serving 479,429 household connections, to 22,668 km (FY 2022/23), serving 724,418 household connections; and
f) Storage capacity for water for irrigation has increased from 26.5 to 52.6 million cubic metres.

4

The 2024 Economic Report on Africa themed "Investing in a Just and Sustainable Transition in Africa" was launched in Addis Ababa on 24th April 2024. The report analyses the opportunities and policies for Africa to build a just and sustainable economic system. For this to materialise, African countries need holistic development plans and strategies that fundamentally redirect their production, consumption, governance, technology, human capital and financial systems. Factors such as a youthful population, arable land, renewable resource endowments, huge deposits of strategic minerals, and latecomer advantages from emerging technologies position Africa to shape the sustainability transition at the global level.

5

The African economy has undergone a profound structural shift to services over the past 20 years, as people left work in the fields to take jobs in trade and other services in cities. Reflecting that shift, employment in services increased from 30% to 39% over that period, although in 2019, half the African workforce remained in agriculture. Going forward, the continent has the human capital and resources it needs to propel growth and increase productivity across all sectors, starting with the services sector. From 2000 to 2010, Africa's real GDP grew at an average rate of 5.1% annually, up from an annual average of only 2.5% in the previous decade.

6

Africa trades much more with economies beyond the continent than within. Only 10% of its imports and 17% of its exports are intraregional. By contrast, in the Association of South East Asian Nations (ASEAN), 21% of imports and 22% of exports are intraregional, while in Latin America, intraregional trade accounts for 19% of imports and 20% of exports.

"Quote"

"I would like to call upon all Ugandans to embrace the President's message. Let every adult Ugandan engage in producing a good or a service for sale. That way, we shall be able to create a bigger pie for the greater good of our country. I dedicate this budget to all the wealth creators," said Finance Minister Matia Kasaija while ending the presentation of the budget speech for FY 2024/25.

"The Ministry continues to engage the private sector within the context of the Second National Strategy for Private Sector Development. These engagements continue to inform our direction into new higher-value products in agro-industrialisation value chains, to be able to boost export promotion and import replacement agenda," said Minister of State for General Duties, Henry Musasizi, at the 6th Sustainable Business for Uganda Platform Board Meeting in Kampala.

"The strategic direction of NDP IV has been developed to exploit the available opportunities to fast-track the realisation of the desired socio-economic transformation. It has also been tailored to address the challenges and lessons learnt from the previous development plans," said Minister of State for Planning, Amos Lugoloobi, at the recent National Planning Conference held in Kampala.

"Uganda has entered a new phase in its industrial journey – the phase of heavy industry, which calls for a new generation of industrial infrastructure such as railways, water ports, electricity transmission lines and specialised skills," said Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi at the joint regional retreat of Missions from the Ring States and Staff from the Regional Economic Cooperation Department at Serena Resort, Kigo.

"Emyooga program success largely depends on sustainable practices such as saving and ensuring timely loan repayments. Efforts should also focus on diversifying income sources to reduce dependence on a single activity. This program is more than a financial initiative; it's a beacon of hope and a catalyst for transforming lives and communities across Uganda," said Minister of State for Microfinance Haruna Kasolo while monitoring the performance of the Emyooga Program in the Bukedi sub-region.

"We are currently in the process of revising the investment code with the aim of streamlining investment procedures, safeguarding investor interests and implementing stringent measures to deter and penalise middlemen engaging in illicit activities," said Minister of State for Investment and Privatisation, Evelyn Anite, during a baraza at Namanve Industrial Park. She added, "I instructed Uganda Investment Authority to implement a directive where every investor allocated land in the various industrial parks across Uganda is required to plant a minimum of 100 trees. Industrial development should go side-by-side with greening."

EXPLORE UGANDA

Giraffes & Zebras at Lake Mburo National Park:
Tourism Development is one of the anchor sectors of the strategy to grow the economy 10-fold. Government strategy is to increase tourist inflows by 5-fold under the current spend-per-tourist and length of stay as well as doubling average spend and average stay per tourist. Target Tourism Annual Inflows for the ten-fold is USD 50billion.

POLICY ISSUES

ENHANCING BUDGET PERFORMANCE AND ABSORPTION

These measures are aimed at ensuring that allocated funds are utilised efficiently and effectively, thus promoting fiscal discipline and accountability.

a) All Ministries, Departments and Agencies (MDAs) and Local Governments are required to provide physical quarterly performance reports to both the Ministry of Finance and the Office of the Prime Minister. This process helps to keep track of the progress made by these entities and ensures transparency in their financial management.

b) Strengthened project selection criteria. The main objective of this intervention is to prevent the admission of unready projects, which can lead to unnecessary spending and an increase in the size of the Public Investment Plan (PIP). This measure aims at streamlining the selection process and ensure that only the most promising and viable projects are included in the PIP.

c) Government has provided a dedicated fund to cater for land acquisition and acquisition of right of way. The fund will address delays occasioned by the prolonged process of acquiring the right of way for infrastructure projects, leading to poor funds absorption. These delays have often resulted in time and cost overruns.

d) Government has enhanced dialogue with Development Partners to facilitate the successful implementation of externally funded projects. Projects funded through external financing have often experienced delays in disbursement due to failure to meet pre-disbursement conditions.

e) Evaluated the performance and use of Development Committee (DC) guidelines. The Ministry evaluated the utilisation and effectiveness of the DC guidelines in scrutinising and authorising new and ongoing projects. The updated guidelines stipulate that projects entering the PIP must have a capital composition of 78%.

f) Commenced the development of the 2nd phase of the Integrated Bank of Projects (IBP). The system acts as a central repository of all project information from inception to closure. Phase II involved interfacing the IBP with existing systems such as the programme budgeting system (PBS), the integrated financial management system (IFMS) and the electronic government procurement (e-GP) systems, as well as the development of the monitoring and evaluation module.

DIGITAL TRANSFORMATION AGENDA

The Digital Transformation Programme of the NDP III identified the Information and Communication Technology (ICT) sector as an accelerator of national productivity and efficiency in Government and the private sector. The programme seeks to expand ICT infrastructure coverage. Government has taken significant steps towards developing ICT infrastructure to lower communication costs. The following measures have so far been undertaken:

a) Developed the Broadband Policy (2018) to harmonise the country's planning and development of broadband infrastructure. This was aimed at increasing internet connectivity, reducing the cost of internet and quality of internet services across public and private sectors. The policy's objectives include optimising usage and increasing the efficiency of broadband infrastructure, increasing access countrywide and reviewing the licencing regime of telecom and broadcast operators.

b) Implemented the National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) to connect all major towns within the country to an Optical Fibre Cable Network. The following are milestones:

i) 1,523 Government sites, 53 districts and 9 border points are connected to the NBI, with a total length of 4,353.87 km laid.

ii) 603 MDAs, Local Government sites and Government service centres such as hospitals and universities connected. This has, therefore, enabled all Government services such as the National Data Centre, internet bandwidth etc. to be online as well as increased internet access.

c) Reduced the cost of internet for Government offices. The National Information Technology Authority (NITA-U) has lowered the monthly cost of internet for Government offices connected to the National Backbone Infrastructure (NBI) from $70 to $35 per Mbps per month. This initiative is aimed at ensuring that Government offices can access/consume the internet at the most competitive rates available, thereby facilitating prompt and effective delivery of services to citizens.

d) Promoted digital literacy by extending the internet to 176 schools, equipping 1,285 school ICT labs and establishing e-learning platforms in schools and universities. In addition, Government developed the Digital Skills Acceleration Programme (2023/24–2025/26) to foster digital skills development at early childhood development and schooling levels. The outcomes envisaged include enhancing the country's global competitiveness, job creation and increased uptake of digital services.

e) Lowered the cost of interconnection fees. The Uganda Communications Commission (UCC) lowered interconnection fees between telecom companies from Shs 65 to Shs 55 in 2019 to reduce the cost of voice calls for consumers. This intervention effectively halved the cost of voice calls from Shs 6 per second to Shs 3 per second.

TAILGATING: IS IT A CYBER-SECURITY 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 restricted areas 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 authorisation. In any case, it is easier to just follow an authorised 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 is endless. As soon as we think we have figured out the methods of fraudsters, they change them again. That is why we need to constantly, in various media, including the *MOFPED TIMES* magazine, remind all of us of the dangers of such attacks, however straightforward or obvious they may seem to be.

Dangers 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 emphasise to all staff of the Ministry that that it is their responsibility to always challenge people who do not belong to the entity.

The problem with tailgating is that people often do not realise it is happening. That they, as authorised 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 guesswork here. Most of us would hold the door for a person who is 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, 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

The good news is that the Ministry of Finance, Planning and Economic Development put in place several security policies to minimise the risk of tailgating. Access controls for entrances as well as specially restricted areas like the Data Centres have been put in place. A few other basic things that have been considered include:

- Strict adherence to wearing of the work IDs.
- Requiring visitors to wear badges.
- Manning of entrances by security guards, both uniformed and non-uniformed, from the Uganda Police Force.
- Use of biometrics as a means of access control in the more restricted areas; also, in some cases use of access control with PIN numbers.
- Use of a combination of any, or all, of the things above.

Here are some things we need to memorise as employees to prevent tailgating, sometimes called piggybacking:

- Do not hold the door open for anyone, even if they are 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 do not know them.
- Challenge or report people who are not wearing a 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 do not 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

MAINSTREAMING CLIMATE ACTION IN THE FINANCIAL SECTOR IN UGANDA

Participants at the validation workshop

In a bid to unlock more climate finance specifically from the financial sectors, including banks, micro-finance institutions, SACCOs as well as relevant MDAs, the Ministry of Finance, Planning and Economic Development, in partnership with the Nationally Determined Contribution Partnership, embarked on developing guidelines for mainstreaming climate action in the financial sector in Uganda. These guidelines will be a blueprint for the financial institutions to contribute to addressing key environmental challenges and climate change, and to support green investment opportunities.

A validation workshop for these guidelines was recently held at Sheraton Hotel Kampala, where stakeholders participated and provided input to further refine the draft guidelines.

In her opening remarks, the Regional Manager Africa, NDC Partnership Support Unit, Ms. Margaret Barihaihi Musana, emphasised that closing the funding gap does not only depend on public funds but also on these guidelines, which could facilitate bringing the private sector on board.

> Mainstreaming climate action in the financial sector will make sustainability and green initiatives a regular part of the operations and decision-making processes of banks and other financial institutions. The idea is to make it a norm rather than the exception.

The Head of Climate Finance Unit at the Finance Ministry, Denis Mugagga, noted that in the current Nationally Determined Contributions, 85% of the climate finance is expected to come from external sources. He said the effects of the COVID-19 pandemic and other global challenges have further constrained the flow of international resources, adding that there has been a reduction in climate finance to Uganda from USD 447.40 million registered as at 31st December 2022 to USD 272.6 million as at 31st December 2023, hence the need for more innovative ways for mobilising climate finance.

Muggaga said the Finance Ministry is currently finalising the development of the National Climate Finance Strategy, which will, among others, harness the potential of the private sector.

He further noted that there is limited awareness, participation and understanding of climate finance among financial institutions in Uganda, especially the operationalisation of climate finance in day-to-day work, adding that these limitations have persistently hindered the integration of climate change into financial decision-making processes and the mainstreaming of sustainable finance practices into business processes.

"Climate change mainstreaming guidelines aim to provide financial institutions in Uganda with clear and practical steps on how to integrate climate change or action into their daily operations,'' said Mugagga.

"In the insurance sector, there is no insurance company with a climate finance facility and this could be an entry point to bring them on board," said Ms. Mavis Mainu, the Consultant developing the guidelines. She further noted that it would be good to include climate-related activities in national data collection.

Participants highlighted the need for capacity building at all levels in the financial sector on climate change and green investments. They requested Government to create incentives for the private sector to adopt the best practices for climate mitigation. "Make sure that the regulators and the ones they regulate understand the subject matter."

The Acting Director, Debt and Cash Policy at MoFPED, Ms. Maris Wanyera, expressed her appreciation to all participants for honouring the invitation and actively participating in the validation process. She noted that the journey to mainstreaming climate action started in 2021 as part of the efforts for Government to recover from the COVID-19 pandemic in a greener way.

She said MoFPED is committed to finding more innovative ways to fund climate action, including the call to integrate climate action into the day-to-day operations of Government and financial institutions. She also reiterated the ongoing efforts, including the development of a national green taxonomy that seeks to provide a classification system that defines the concept of green to investors.

The institutions present included the Nationally Determined Contribution Partnership (NDCP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Bank of Uganda, the Ministry of Energy and Mineral Development, the United States Agency for Development (USAID), Climate Analytics, Makerere University, Equity Bank, CAN-Uganda, aBi Finance Ltd., EcoTrust, United Nations Framework Convention on Climate Change (UNFCCC), the Capital Markets Authority, Advocates Coalition for Development and Environment (ACODE), Uganda Investment Authority, Postbank, the British High Commission, the Ministry of Works and Transport, and Uganda Bankers Association, among others.

Participants in discussion groups at the validation workshop

FINANCING FOR SCALING UP WOMEN-LED CLIMATE INNOVATIONS

Hon. Anite and other officials in group photo with the award winners

By Climate Finance Unit

Climate change remains a continuing challenge of our time and the burden on the world's most vulnerable, especially women, is becoming immense. In recognition of this challenge, the Women in Climate Change (WiCC) initiative was birthed. The WiCC initiative, which began modestly as a WhatsApp group with just 50 members, has rapidly evolved into a dynamic and inclusive platform comprising 356 women, including youth.

In June 2022, with support from the Government of Uganda, the Global Green Growth Institute (GGGI) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and other partners, WiCC held its inaugural conference in June 2022, at Makerere University.

Cognisant of the continued reduction in climate finance flows amidst recent global economic and health crises, the 3rd edition of the WiCC Conference was held on 16th May 2024 under the theme "Advancing Climate Financing for Scaling Women-led Climate Innovations".

The conference, which attracted over 300 participants, was graced by several dignitaries, including Hon. Ministers from the Ministry of Water and Environment and the Ministry of Finance, Planning and Economic Development, Ambassadors from the Embassies of Germany and Denmark, Representatives of EU in Uganda, Country Representatives of GGGI and GIZ, academia, Senior Government Officials, technocrats, young women, women at the grassroots, and the media, among others.

The State Minister for Finance in charge of Investment and Privatisation, the Hon. Evelyn Anite, who was the guest of honour, emphasised the need for practical solutions, including growing more trees and alternative sources of fuel for cooking, among others. In reference to the industrial parks, Anite said, ''I am not going to license any investor in a wetland.'' She pledged to fast-track access to increased capital for some of the climate innovations that were showcased at the conference. The Hon. Anite also donated ECOCA cook stoves (multi-purpose green cooking systems that function with solar energy and can provide energy for cooking and electricity for an entire family) to two participants.

Participants at the event

State Minister for Environment, the Hon. Beatrice Anywar Atim, emphasised that catalysing women- and youth-led innovations will open up windows for financing, adding that when women are empowered, households are also empowered.

The Principal of Makerere University Business School, Prof. Moses Muhwezi, in his remarks highlighted the role of academia in the fight against climate change, noting that the business school produces Master of Business Administration (MBA) graduates that manage businesses, adding that these businesses should integrate sustainability aspects. "As a business school, we pledge to include climate change in all our curricula,'' said Prof. Muhwezi.

Ensuing discussions underscored the need to see women in climate change as the drivers and movers of climate action, as well as financing at the local level for resilience and the critical role of digitalisation in bringing finance closer.

It was noted that women should be involved in policy formulation as active participants and that the upcoming NDP IV is a great opportunity to amplify the potential of women in climate action. In reference to the energy transition, "women will be direct beneficiaries and Denmark is ready to make our contribution both in concessional finance and in all other measures, including debt'' said H.E. Climate Ambassador of Denmark at the Ministry of Foreign Affairs and Ministry of Climate, Energy and Utilities, Tomas Anker Christensen.

In an effort to recognise women that are advancing climate action, the conference also featured the Women in Climate Change awards across six categories, namely: Young Woman Innovation Award, Women in Technology Award, Climate Policy Advocacy/Leadership Award, Climate Activist of the Year Award, Outstanding Female in Climate Action at Grassroots Level Award, and Outstanding Male Champion in Climate Action Award.

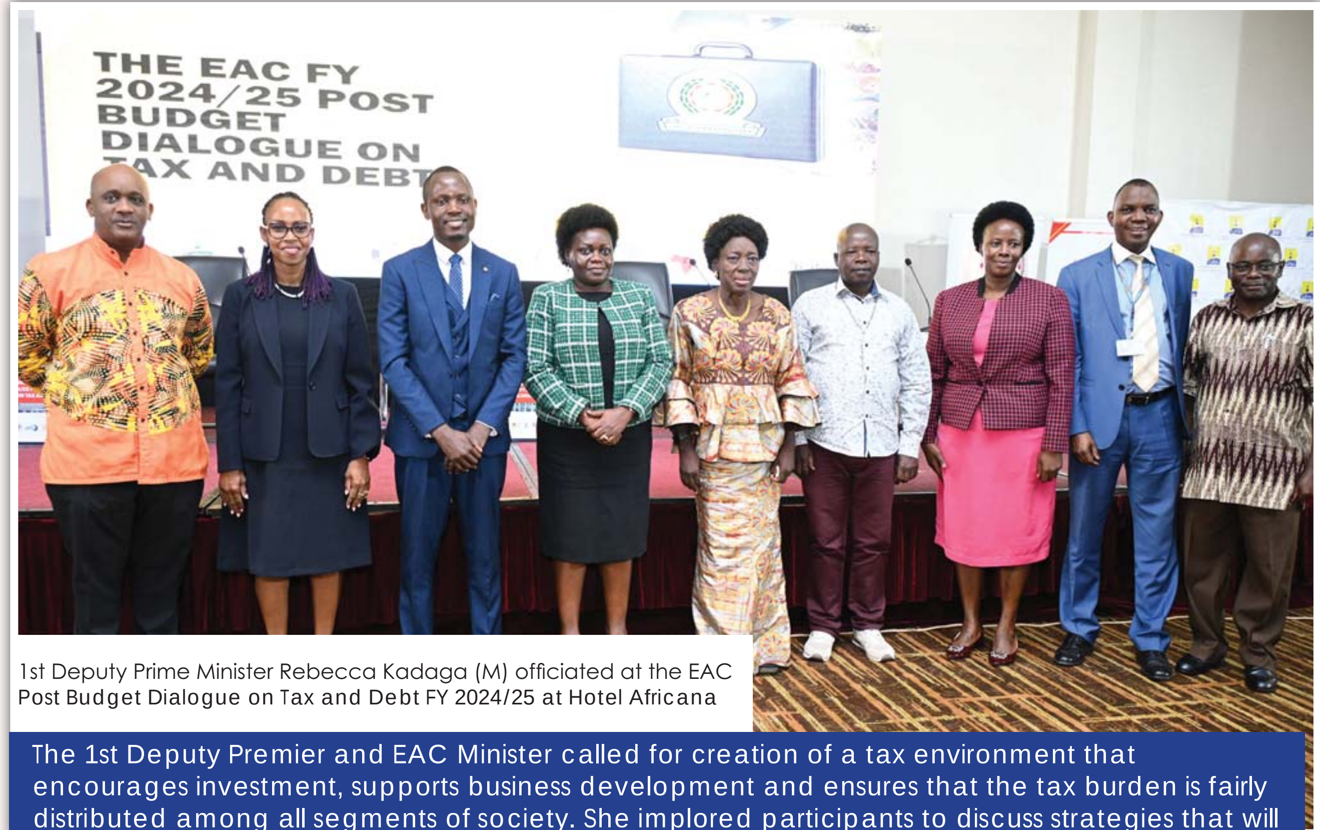
The WiCC initiative, characterised by a number of activities including enlightening field visits, impactful mentorship programmes, climate walks and academic symposiums, illustrates a steadfast dedication to amplifying the voices and potential of women in the fight against climate change.

MoFPED is fully committed to fast-tracking climate finance mobilization, and this has been illustrated by the creation of a fully-fledged Climate Finance Unit that is, among others, ensuring gendered approaches to climate finance mobilisation and utilisation. The current climate finance need is estimated at about USD 28.1 billion.

Hon. Anite handing over award to one of the winners

MoFPED Football team that participated in the Africa Public Service Day 2024 Sports Gala

MoFPED Netball team that participated in the Africa Public Service Day 2024 Sports Gala



1st Deputy Prime Minister Rebecca Kadaga (M) officiated at the EAC Post Budget Dialogue on Tax and Debt FY 2024/25 at Hotel Africana

The 1st Deputy Premier and EAC Minister called for creation of a tax environment that encourages investment, supports business development and ensures that the tax burden is fairly distributed among all segments of society. She implored participants to discuss strategies that will enhance and promote sustainable economic growth.

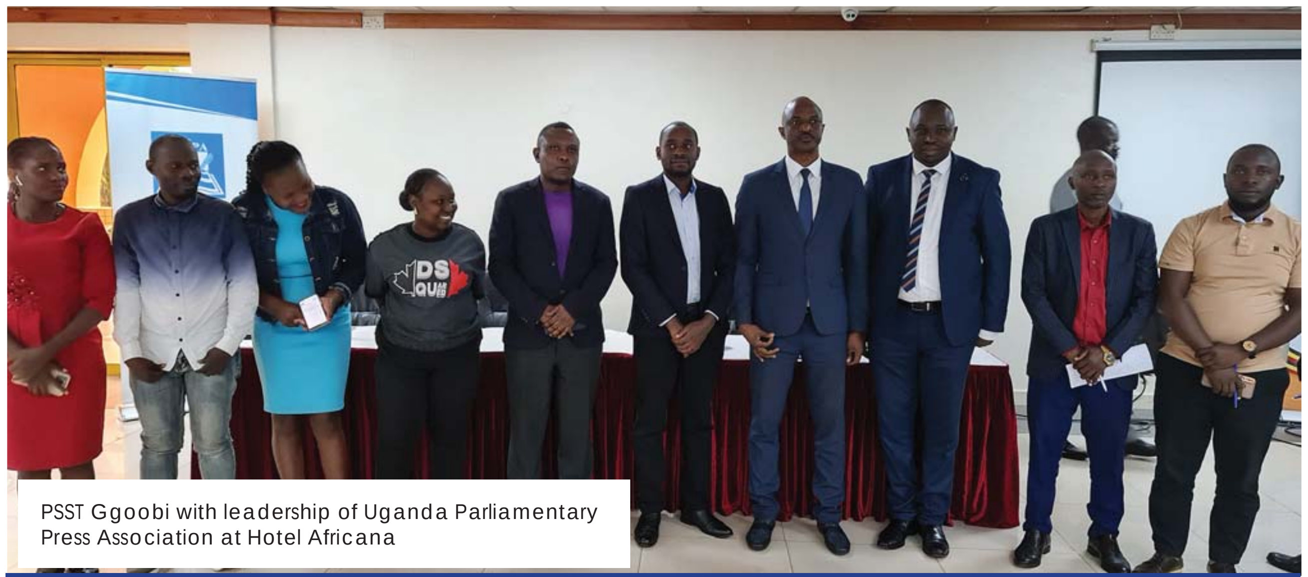
The Director Economic Affairs, Moses Kaggwa said the East African Community has deepened its regional integration agenda, adding that the intra-EAC total trade has grown by 13.1% to USD 12.1 billion in 2023 from USD 10.6 billion in 2022

Internal Auditor General Dr Fixon Akonya Okonye (M) and his staff with delegation from the Republic South Sudan

The Internal Auditor General received the delegation which was led by the Director General of Internal Audit and Inspection, Mr. Girr Riny Girr. The South Sudan delegation was in the country to benchmark with the Office of the Internal Auditor General of Uganda on best practices in internal auditing

MoFPED staff participating in the Africa Public Service Day Walk from Constitutional Square to Kololo Ceremonial Grounds

The Ministry participated in the celebration activities to commemorate the Africa Public Service Day,2024 at Kololo Ceremonial grounds under the theme: "Empowering A Citizen- Centric Public Service for an Inclusive and Thriving 21st Century Africa"



PSST Ggoobi with leadership of Uganda Parliamentary Press Association at Hotel Africana

The Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi said MoFPED recognises the important role the media fraternity plays in communicating government programs, including the budget.

"The Media delimits individual's capacity to think independently," said the PSST adding that the Media standardises human thought.

He said the budget strategy for FY 2024/25 aims to achieve fiscal consolidation, better resource allocation, enhanced household incomes and shifting the economy to a higher growth path (10-fold from USD 50 billion to USD 500 billion by 2040.

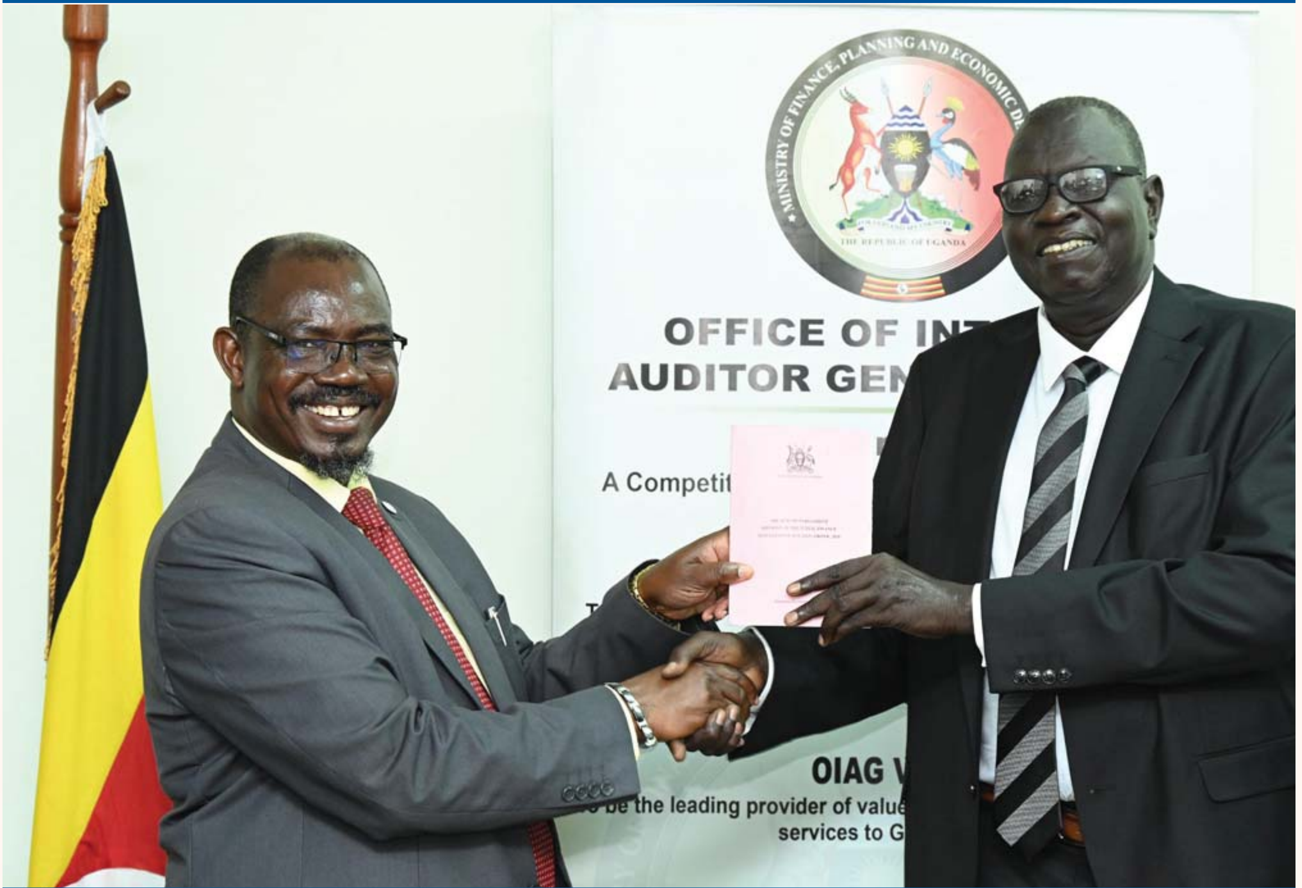
The workshop for the Uganda Parliamentary Press Association was part of the budget month activities under the budget transparency initiative

Celebration-Finance Minister Matia Kasaija officiated at the 50th Anniversary Gala dinner for I&M Bank at Kampala Serena Hotel.

Deputy Speaker of Parliament Thomas Tayebwa (L) greets Commissioner Isingoma in presence of Internal Auditor General Dr. Fixon Akonya during the Internal Audit Conference at Commonwealth Resort Munyonyo

PICTORIAL

Hon. Anite & PSST Ggoobi met a delegation from the European Investment Bank who were in the country to reinforce their partnership with the Government of Uganda



Internal Auditor General Dr. Akonya (L) hosted his South Sudan counterpart Girr Riny Girr who was in the country on a benchmarking visit

NDP III PROGRAMMES AND CORRESPONDING LEAD VOTES

Programme/Sub-Programme code	Programme	Lead MDAs/VOTE
010000	Agro-Industrialization	MAAIF
020000	Mineral Development	MEMD
030000	Sustainable Petroleum Development	MEMD
040000	Manufacturing	MoTIC
050000	Tourism Development	MoTWA
060000	Natural Resources, Environment, Climate Change, Land and Water Management	MoWE
070000	Private Sector Development	MoFPED
080000	Sustainable Energy Development	MEMD
090000	Integrated Transport Infrastructure and Services	MoWT
100000	Sustainable Urbanization and Housing	MoLHUD
110000	Digital Transformation	MoICTandNG
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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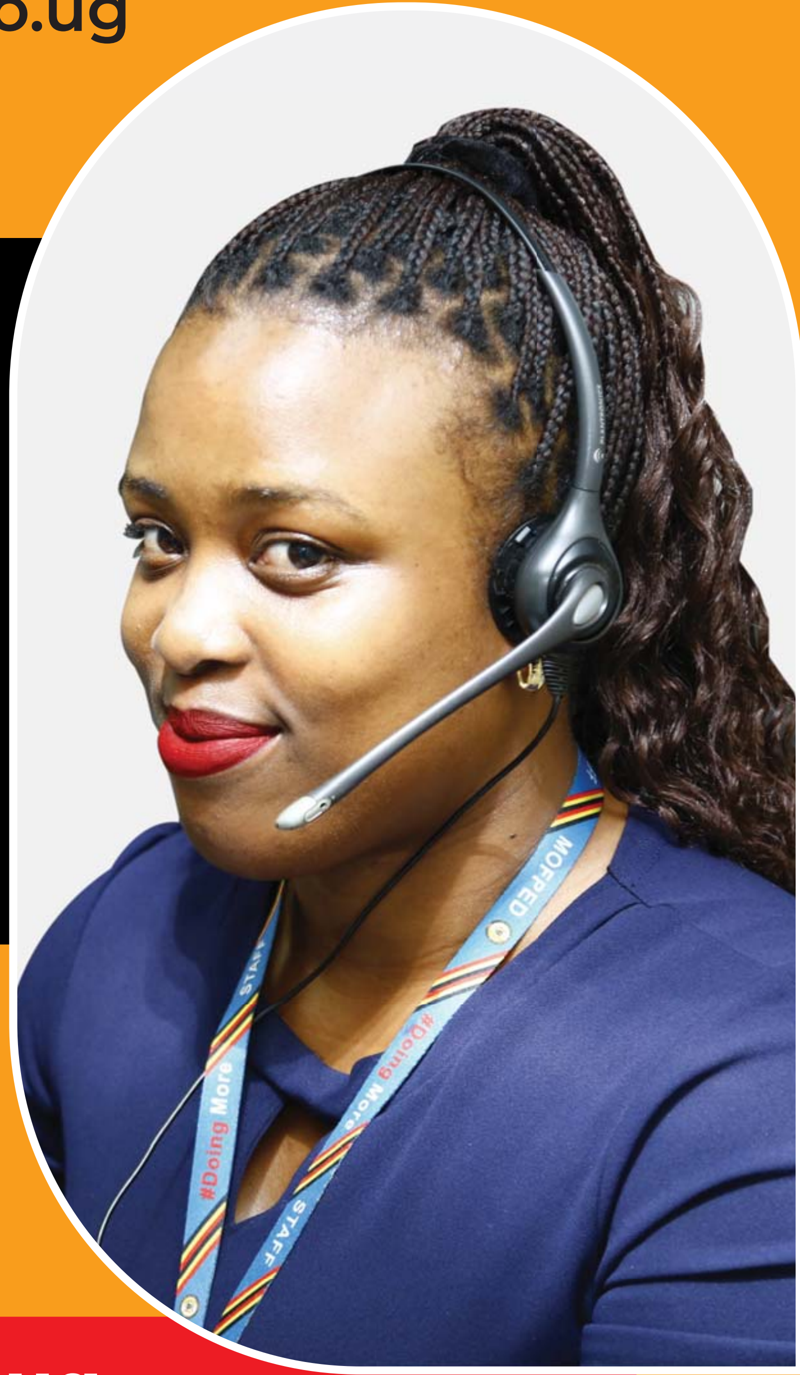

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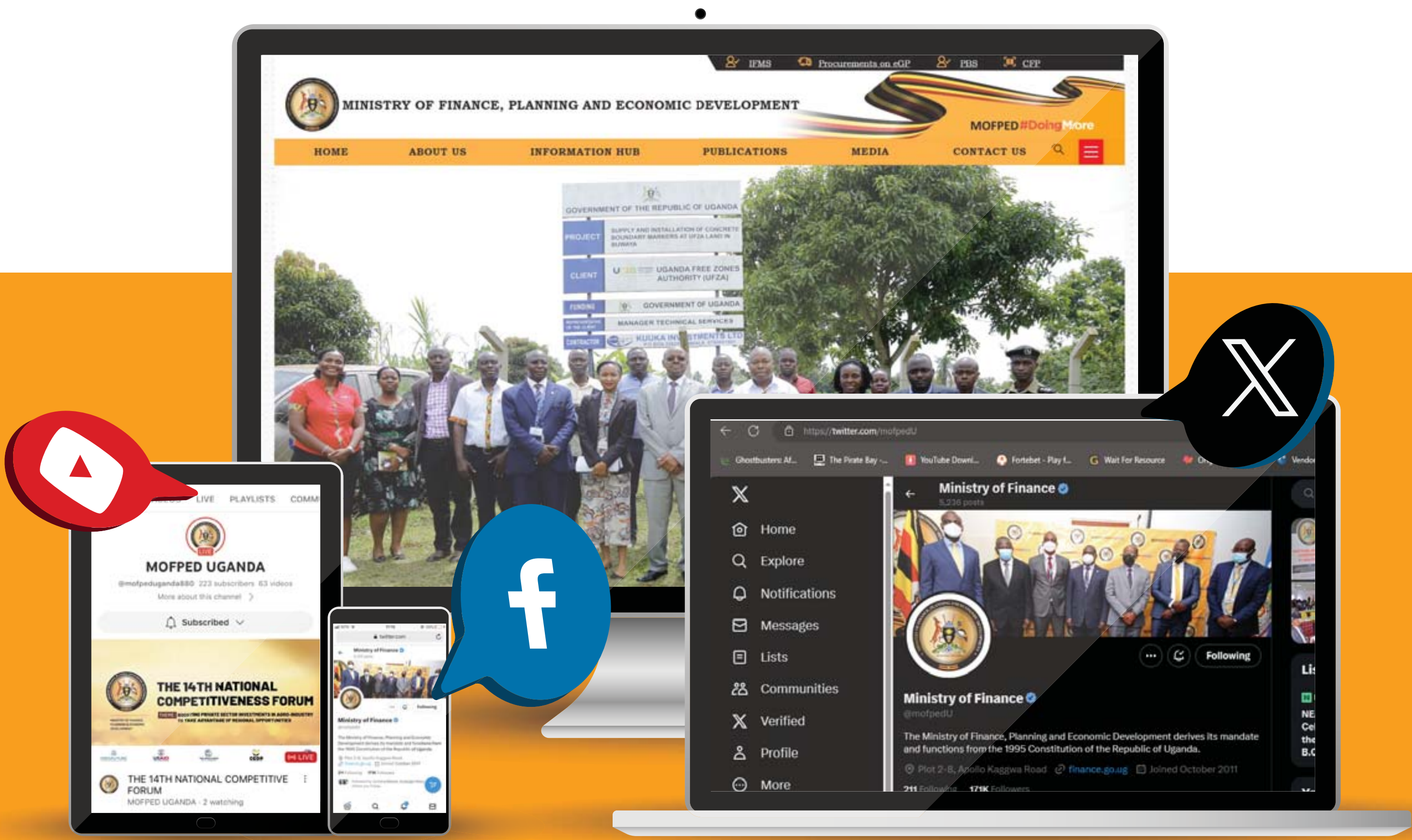

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