MOFPED TIMES
Privileged Insights

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ISSUE No.17 October - December 2024

PRIVATE - LARGE SCALE COMMERCIAL FARMERS SCHEME LAUNCHED

INAUGURAL PUBLIC INVESTMENT MANAGEMENT CONFERENCE

THE 15TH NATIONAL COMPETITIVENESS FORUM

SCAN
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COVER PAGE

EDITORIAL
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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.

  We constantly demonstrate a commitment to be good stewards of the resources allocated to us, discover and apply safer, better, faster and more cost-efficient ways to provide the services.

- **Teamwork**
  We create effective working relationships with team members by treating others fairly, maintaining an approachable atmosphere, sustaining open and honest two-way communication, and involving others in decision-making processes when appropriate.

- **Integrity and Transparency**
  We conduct business honestly and ethically, expect and exemplify trust, respect, fairness and high character. We conduct ourselves with openness in all aspects of our work. We seek feedback from all stakeholders in order to achieve open communication and foster collaboration.

- **Innovativeness**
  We are driven by continuous improvement and unique cutting-edge concepts that optimize results by working better and smarter.

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Ramathan Ggoobi
Permanent Secretary and
Secretary to the Treasury

Ministry of Finance,
Planning and Economic
Development

Greetings

Hearty greetings to you, our dear stakeholders.

It is always a pleasure to share with you privileged insights from the Ministry of Finance, Planning and Economic Development (MoFPED).

Over the last decade, we have laid a firm foundation to grow the economy tenfold by 2040. This vision is more than an economic aspiration; it represents our nation's blueprint for achieving shared prosperity and the socio-economic transformation of our country.

We remain steadfast in this commitment to expand our GDP from the current USD 53 billion to USD 500 billion by 2040. This demands resilience, innovation and financing strategies that match the scale of this economic ambition.

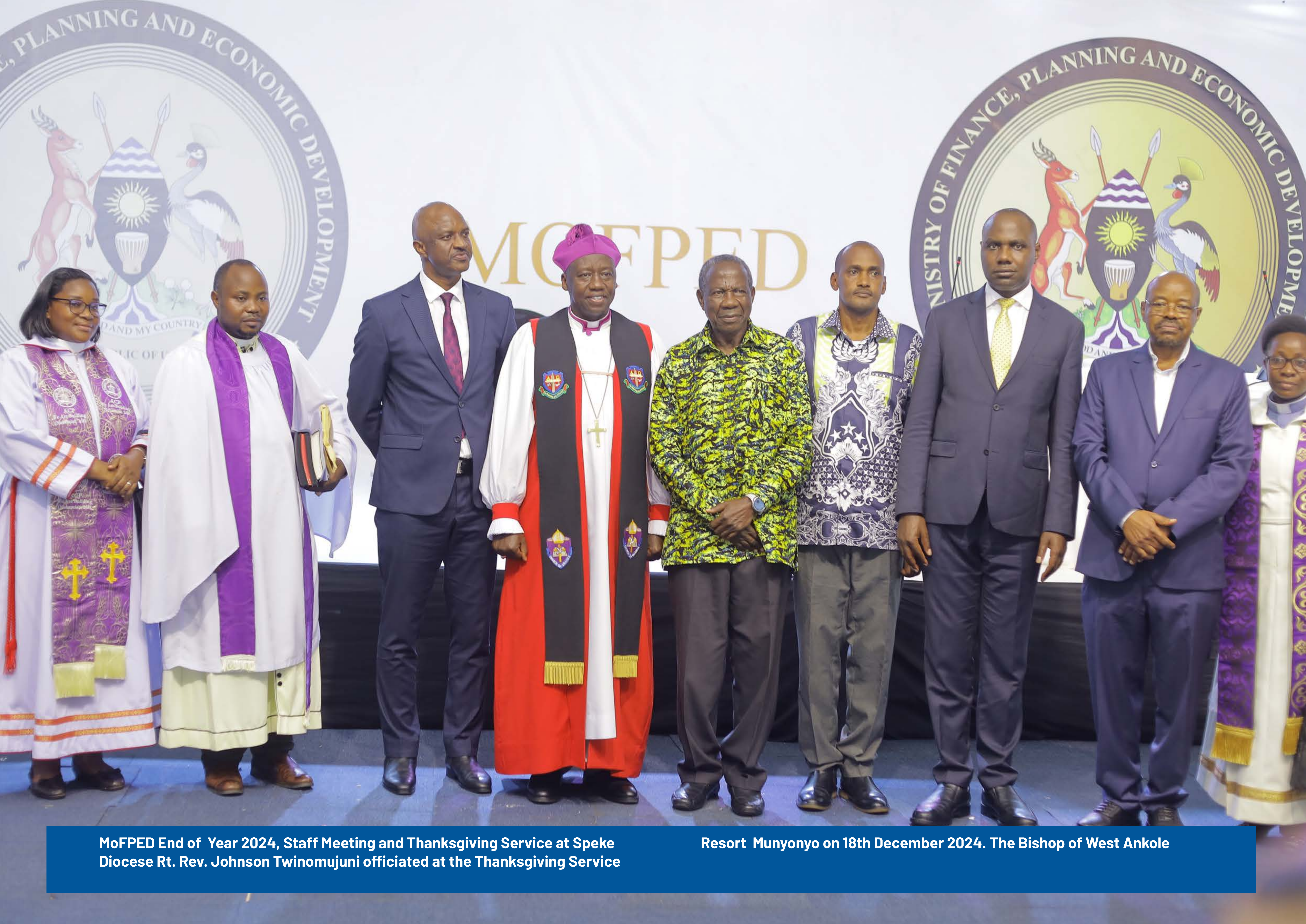
We shall succeed by strengthening strategic partnerships between Government, the private sector, Development Partners and all the people of Uganda to achieve our goal.

The National Budget for the next FY 2025/26, which we are already processing, will continue to accelerate the goal of building an independent, integrated, self-sustaining and competitive economy through full monetization and formalization of the economy.

We shall continue to consolidate the gains from implementing the fiscal consolidation strategy by enhancing revenue collection, improving allocative efficiency and limiting borrowing for only critical and strategic investments.

Happy New Year 2025 and enjoy reading the *TIMES*

Ramathan Ggoobi
Permanent Secretary and Secretary to the Treasury



MoFPED End of Year 2024, Staff Meeting and Thanksgiving Service at Speke Resort Munyonyo on 18th December 2024. The Bishop of West Ankole Diocese Rt. Rev. Johnson Twinomujuni officiated at the Thanksgiving Service


Apollo Munghinda
Principal Communications Officer

Ministry of Finance, Planning and Economic Development

Our esteemed Stakeholders

Greetings, from MoFPED.

We are grateful to you for the continued support extended to the Ministry to effectively steer the economy. It is pleasing to note that our economy has strongly recovered from the various shocks and remains buoyant.

In this 17th Edition of the *TIMES*, we share the highlights of the inaugural Public Investment Management Conference which navigated the landscape of Public Investment Management in Uganda.

We also highlight the proceedings of the 15th National Competitiveness Forum, which examined the role of the public and private sectors in realizing the knowledge economy agenda in Uganda.

Recently, the Finance Minister launched a new financing scheme for private large-scale commercial farmers, designed to provide timely, affordable, and accessible financial resources to farmers who are at the heart of our agricultural economy. We are delighted to share with you the details of this new scheme.

Finally, this Edition examines, among other issues, why the World Bank commended the implementation of the Uganda Intergovernmental Fiscal Transfers Program (UgIFT).

Happy New Year 2025.

Enjoy reading the *MOFPED TIMES*

Apollo Munghinda
Principal Communications Officer

PIM CONFERENCE

KASAIJA OFFICIATES AT INAUGURAL PUBLIC INVESTMENT MANAGEMENT CONFERENCE

Finance Minister Kasaija hands over certificate to one of the best performers in the training on investment Appraisal and Risk Analysis

By Oscar Kalyango

Finance Minister Matia Kasaija, while officiating at the inaugural Public Investment Management (PIM) Conference at Makerere University, said public investments are the backbone of our nation's development and are essential for building the infrastructure, human capital and all institutions needed to drive socio-economic transformation.

The one-day PIM Conference was organized by the Ministry of Finance, Planning and Economic Development, in collaboration with the Public Investment Management (PIM) Centre of Excellence, under the theme: "**Navigating the Landscape of Public Investment Management in Uganda: Current Realities and Future Outlook**".

The conference aimed at providing a platform for political leaders, government officials, development partners, academia, civil society representatives, and the public to exchange views on the current state and prospects of public investment management in Uganda.

Public sector investments do not only drive growth directly but also foster a conducive environment for private sector development by addressing market failures. To maximize the effectiveness of public investments, therefore, it is essential to ensure that they are implemented efficiently and cost-effectively.

In pursuit of this goal, the Uganda Government initiated and continues to advance public investment reforms aligned with international best practices. The PIM Centre at Makerere University plays a key role in supporting research through the public investment management cycle.

The Finance Minister underscored the government strategy of growing the economy tenfold from a GDP of USD 50 billion in FY 2022/23 to USD 500 billion within the next 15 years. "Achieving this milestone requires not only precise planning and implementation of investments but also a focused approach to addressing the pressing issue of youth unemployment by creating decent jobs," said Kasaija.

Participants at the Public Investment Management conference at Makerere University

He said public investment must serve as a critical catalyst for job creation by prioritizing the expansion of vocational and technical training programmes that collaborate closely with industries to ensure alignment with market demands.

"We come together as key stakeholders with a shared objective: To assess the current state of public investments and chart a course for the future, one that will drive economic growth, national development, and help us grow our economy tenfold," said the Minister.

He said an effective PIM system must have the ability to deliver inclusive and sustainable socio-economic transformation with in-built resilience to cross-cutting issues of climate change and Sustainable Development Goals (SDGs).

The Finance Minister said the conference was timely as the country embarks on the next phase of the nation's planning framework – the National Development Plan (NDP IV) and the budget process for FY 2025/26.

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi, thanked the PIM Centre of Excellence for working closely with the Finance Ministry to ensure the Government of Uganda invests only in worthwhile projects that contribute to national development.

He appreciated the initiative of separating good projects from bad ones using the PIM process, adding that investment projects must not only be financially viable, with returns on investment, but should also lead to improvement in the welfare of Ugandans.

"Government is taking seriously the PIM process," said Ggoobi, adding that the Finance Ministry has developed a framework for tracking project implementation. He said the framework standardizes and provides strategic direction by facilitating a culture of accountability, transparency and continuous improvement during project execution.

"To implement this framework, the Office of the Head of Project Execution has been created to use the framework in collaboration with other monitoring and evaluation players such as Office of the Prime Minister, Office of the President and responsible departments in the Ministry," said Ggoobi.

He also said Government has offered seed financing to the Project Preparation Facility (PPF) under the National Planning Authority. The facility will simplify the process of creating a pipeline

Hon Kasaija visiting exhibition stall of Uganda Prison Service at the PIM conference 2024

of bankable projects in strategic areas known as ATMS – i.e. Agro-industrialization, Tourism development, Mineral-based Industrial development including oil and gas, and Science, Technology and Innovation including ICT. In FY 2024/25, Shs 4 billion was earmarked for the facility to study eight projects, of which two are public-private partnerships (PPPs), two are externally funded, and four are Government of Uganda-funded.

Prof. Glenn Jenkins of Queen's University, Canada, in his keynote address, said although Uganda has made significant progress in the development of the PIM system, the immediate challenge that must be addressed is project implementation.

"Projects are not being completed on time because of time overruns and cost overruns," said Prof. Jenkins, adding that there is need for staff training in project management and a legal framework to support the PIM system.

"There is need to develop extensive applied skills and have information available to carry out appraisals across a wide range of projects," he said, adding that a modern PIM system is much more than an investment appraisal. He said it is a system for decision-making by the public sector that uses financial, economic and social appraisal criteria as a tool of decision-making.

Earlier, the Vice Chancellor, Makerere University, Prof. Nawangwe, had thanked Government for supporting Makerere to remain a global university. He said through the Innovation Fund, Makerere University has been able to incubate about 2500 innovations, of which 300 have the potential for commercialization.

> ***To implement this framework, the Office of the Head of Project Execution has been created to use the framework in collaboration with other monitoring and evaluation players such as Office of the Prime Minister, Office of the President and responsible departments in the Ministry,***
> *said Ggoobi.*

SHS 176 BILLION FINANCING SCHEME FOR PRIVATE LARGE-SCALE COMMERCIAL FARMERS LAUNCHED

Finance Minister Kasaija and Agriculture Minister Frank Tumwebaze signing the Agreement to Launch the Financing scheme

By MoFPED Comms Team

Finance Minister Matia Kasaija recently announced the launch of this new financing scheme for private large-scale commercial farmers, designed to provide timely, affordable, and accessible financial resources to farmers who are at the heart of our agricultural economy.

This financing mechanism will support private large-scale commercial farmers to produce 132,600 metric tons (MT) of maize, beans, soya beans, sorghum and animal feeds on a total proposed acreage of 114,661 acres.

This will be implemented by having Government-owned financial institutions (Pride Microfinance, Post Bank and Housing Finance) provide a principal amount of Shs176 billion, and the Government of Uganda (GoU) meeting the corresponding interest component of Shs 40 billion annually.

Kasaija, while launching the scheme at Speke Resort Munyonyo, said farmers face a multitude of challenges – ranging from unpredictable weather pat-terns and rising input costs, to limited access to technology and, most pressing of all, financial support.

"In recent years, we've seen how critical it is to support farmers with the right tools to thrive. Grain production is labour intensive, requiring substantial investments in land preparation, seeds, fertilizers, irrigation, equipment, and more," said the Finance Minister.

This scheme will initially run for a period of six years and the eligibility criteria take into account companies, cooperatives and other formal qualifying entities with available land or engaged in large-scale farming with a minimum of 50 acres of land. Loan disbursements have been structured to align with farming

Finance Minister Kasaija and Agriculture Minister Frank Tumwebaze exchange Notes after launching the scheme

cycles so that the resources can be received and utilized at the point they are most needed by the farmers.

"To our farmers here today, this is your opportunity to take your operations to the next level. With the right financial support, you can access better equipment, expand your land and improve your yields," said Kasaija.

The Minister of Agriculture, Animal Industry and Fisheries, Frank Tumwebaze, thanked Government for responding to the needs of private large-scale farmers and strengthening the partnership between Government and farmers.

Tumwebaze said the money was not for trading but real production, adding that his Ministry will share with all stakeholders the profiled large-scale farmers in all the districts of Uganda.

Earlier in his welcome remarks, the Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, said this launch marked a pivotal moment in Government's continued efforts to empower farmers, enhance food and feed security, and drive sustainable agricultural growth in our nation.

The PSST said this scheme will support Government's Tenfold Growth Strategy that aims to grow Uganda's gross domestic product (GDP) from about USD 50 billion in FY 2022/23 to USD 500 billion by 2040. Agro-industrialization, an anchor sector of the strategy, aims to commercialize and formalize farming, leading to a fivefold growth of agro-industrial exports with an estimated value of USD 20 billion.

With the forthcoming transition to the Fourth National Development Plan (NDP IV), Ggoobi said the target is to increase the share of agricultural exports (maize, beans, soya beans and sorghum) from USD 2.45 billion (35%) in FY 2024/25 to USD 4.76 billion (48%) in 2029/30. Maize, also one of the commodities under this scheme, is expected to contribute USD 335.3 million.

The launch was witnessed by the Managing Directors and Chief Executive Officers of the respective commercial banks, the Executive Director, the Grain Council of Uganda, and the President, Uganda National Farmers Federation, among others.

To our farmers here today—this is your opportunity to take your operations to the next level. With the right financial support, you can access better equipment, expand your land and improve your yields, said Kasaija

MOFPED CONVENES 15TH NATIONAL COMPETITIVENESS FORUM

Finance Minister Kasaija addressing participants at the 15th NCF

Today's discussions are to help us identify opportunities along these value chains for the private sector to invest and transform this economy, he said.

By PSDU Team

The Ministry of Finance, Planning and Economic Development, through the Private Sector Development Unit (PSDU), hosted the 15th National Competitiveness Forum (NCF) under the theme: "The Role of the Public and Private Sector in Realizing the Knowledge Economy Agenda in Uganda".

This event, held at Mestil Hotel in Kampala, brought together thought leaders, government officials, industry experts, and private sector stakeholders to explore critical strategies for enhancing Uganda's global competitiveness.

The forum highlighted the need for collective efforts to unlock the potential of the pathogen economy, e-mobility, and innovation-driven enterprises (start-ups). These three sectors were identified as essential drivers of Uganda's economic transformation, with the potential to position the country as a leader in STI-driven industries.

Hon. Lugoloobi (5th R) closed the 15th NCF at Mestil hotel in Kampala

Finance Minister Matia Kasaija, while officiating at the forum, said Government remains committed to creating an enabling environment for the private sector to thrive, especially in industries that align with the tenfold strategy, such as the pathogen economy and mobility, which hold significant potential for import substitution, export growth, and job creation.

"I would like to emphasize that Uganda stands at the threshold of a new era. This transformative goal, guided by the Vision 2040 blueprint, calls for a shift toward a knowledge economy – where innovation, science, and technology are not just enablers but drivers of economic growth," said the Finance Minister.

He said the budget for FY 2024/25 highlights several investments in relation to Science, Technology and Innovation (STI). Kasaija said Government has already committed Shs 257 billion to bolster STI, with substantial allocations towards key projects like the Banana Industrial Research and Development Centre (PIBID), which has been allocated Shs 49.6 billion for scaling operations, and Kiira Motors Corporation, which has received Shs 32.5 billion to advance electric vehicle manufacturing.

The Minister for Science, Technology and Innovation, Dr Monica Musenero, in her keynote address on the status of STI in Uganda, said STI has been sluggish in impacting the economy due to historical gaps, colonial-era distortions and the eclipse problem (easy solutions as opposed to innovation).

She said other causes are limited knowledge spillovers (limited skills) and the black box effect (production of raw materials with no value addition but also characterized by the consumption of finished goods).

Dr Musenero underscored the role of STI in building a competitive and modern economy and contributing significantly to the tenfold growth agenda, adding that Uganda can add value to its resources, move away from raw material exports, and focus on creating high-value products and services for both domestic and international markets.

She also noted that over 50,000 direct and indirect jobs by start-ups has fuelled development and created opportunities for Ugandans.

Participants at the 15th NCF at Mestil hotel in Kampala

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, in his remarks said the National Competitiveness Forum (NCF) is the main platform through which the Finance Ministry consults with the private sector on investment priorities for building a competitive economy.

"Government has embarked on the journey of building a USD 500 billion economy within 15 years under its tenfold growth strategy. In this journey, technology-led productivity is a necessary condition to reach the double-digit economic growth potential envisaged under NDP4," said the PSST.

He said the global STI market presents opportunities worth USD 51.4 trillion, with the pathogen economy alone valued at USD 12 trillion, while mobility is at USD 15 trillion.

"Today's discussions are to help us identify opportunities along these value chains for the private sector to invest and transform this economy," he said.

Currently, 77% of Uganda's import expenditure is spent on STI-related products.

Ggoobi said by focusing on developing domestic capabilities in e-mobility and pharmaceuticals, Uganda can retain significant value to strengthen the economy.

He also noted that Government is pursuing a three-dimension economic agenda: full monetization of the economy; full formalization of the economy; and full employment of the country's factors of production (land, labour, capital, technology and entrepreneurship).

The PSST said this economic agenda is informed by Government's appreciation of the state of the different factor markets, and the need for structural change.

Earlier, the head of the Private Sector Development Unit at the Finance Ministry, Dianah Nannono, said Government has undertaken numerous reforms and registered commendable strides in enhancing private sector competitiveness in the country.

She said the business register has expanded from 46,324 entries registered in FY 2021/22 to 55,711 entries in FY 2023/24 due to digitization of the business registration process under Uganda Registration Services Bureau (URSB).

Nannono also said the share of titled land in the country has increased from 22.14% in FY 2021/22 to 30% in FY 2023/24 due to digitization of the land registration services.

She also noted that time for the transportation of goods from Mombasa to Kampala has reduced from 5.65 days in FY 2021/22 to 4.54 days in FY 2023/24 due to regional electronic cargo tracking systems.

It was observed at the forum that in today's interconnected world, nations that leverage STI are well-positioned for sustainable development. Sectors such as the pathogen economy (valued at USD 48.3 billion) and e-mobility (projected to generate up to Shs 300 trillion in carbon credits by 2030) represent major growth opportunities for Uganda.

The Minister of State for Planning, Amos Lugoloobi, closed the forum emphasizing that the discussions had cleared underscored the immense opportunities that lie ahead for Uganda, particularly in the key areas of the pathogen economy, e-mobility and the development of the start-up ecosystem.

15TH NCF RECOMMENDATIONS

1) Uganda should focus on import substitution and job creation within the pathogen economy, particularly by increasing local pharmaceutical manufacturing.
2) Government should increase investment in the biosciences and pharmaceutical production capacity to reduce import dependency and create local jobs, benefitting both the national health system and the economy.
3) Government should accelerate efforts to build a sustainable e-mobility infrastructure and create jobs through local EV manufacturing.
4) Government and private sector must expand the electric vehicles (EVs) infrastructure by increasing the number of charging stations, investing in local manufacturing, and offering financial incentives to make EVs more affordable for consumers.
5) A supportive regulatory environment and targeted funding are essential for fostering a thriving start-up ecosystem that will diversify Uganda's economy and enhance its global competitiveness.
6) Government should strengthen the start-up ecosystem by improving access to finance, implementing favourable tax policies, and enhancing business incubation support.
7) Government should increase investments in technical and vocational education to address skills shortages and meet the growing demand for specialized talent in biotechnology, e-mobility, and other STI-driven sectors.

Participants at the 15th NCF

HERE IS WHAT INFORMED RATIONALIZATION OF AGENCIES

By Ramathan Ggoobi

Back in the 1990s, Uganda adopted several reforms. One of them was the creation of semi-autonomous Agencies. The architects of these (largely donor-driven) reforms promised enhanced efficiency and State capacity to deliver services when bureaucracy in the mainstream Ministries is sidestepped.

Three decades later, evidence showed that, instead, the reforms had fragmented Government, increased the cost of running it, caused overlaps and duplications and, in some instances, eroded accountability, especially to the citizens.

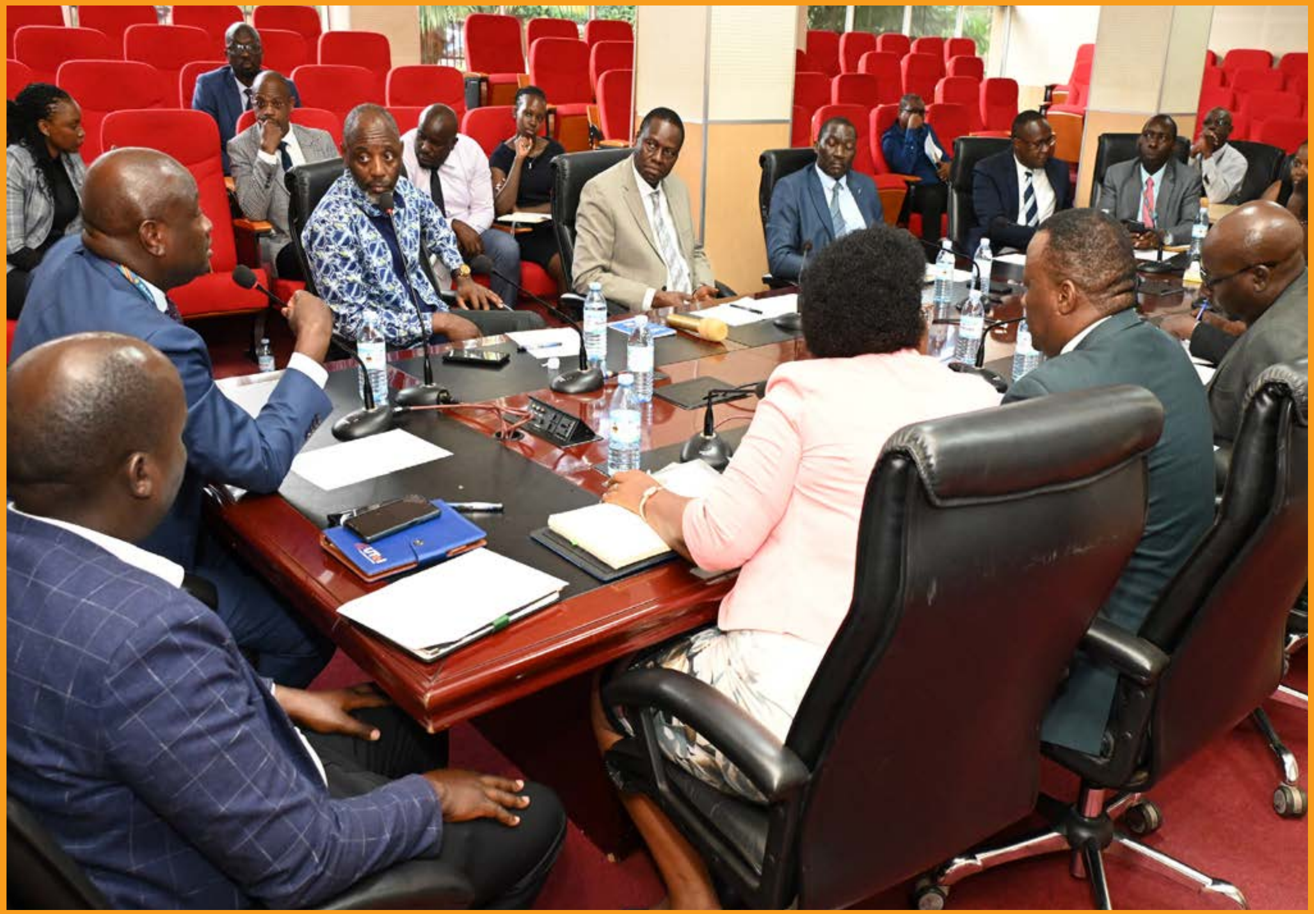
'Agencification' also led to policy incoherence, since it shielded implementers from direct scrutiny by policymakers.

In the end, Ugandans have continuously expressed frustration due to poor service delivery. Some even think that the Government does not care about what is taking place. The popular view among Ugandans is that Government is good at making policies and plans but poor at implementing them.

Our 2019 research on Uganda's implementation record found that implementation can be successful only when "street-level bureaucrats" (the people closer to the real problems) are offered key roles in solving the problems. Also, when there is effective command and control over all the actors.

Earlier, in 2008, Government had hired Oxford Policy Management

> *Now that Agencies have become duplicative, expensive, and largely unaccountable, and some of you are saying Ministries are bureaucratic, slow and lack some critical human resources, what is the best way forward? Should we close Ministries and retain Agencies?*



Meeting of the merger between National Planning Authority(NPA), National Population Council (NPC) and National Physical Planning Board (NPPB)

Limited – a UK-based firm – to conduct an independent evaluation of the Poverty Eradication Action Plan (PEAP) to draw lessons for the development of the processes for the National Development Plan (NDP) that was being formulated then. They stated that "the effectiveness of the PEAP was impeded by poor implementation." They attributed the poor implementation in Uganda primarily to what they called "[w]eak collective decision-making and oversight."

To be honest, agencification is not a Ugandan problem. Many countries around the world that implemented similar reforms have experienced similar problems.

The difference is that on realizing such problems, many other countries rationalized their governments to restore coordination between policy and implementation. Some of these countries include Australia, New Zealand, the USA, the United Kingdom, Jamaica and Ethiopia, among others. Uganda is just joining them.

The President, while meeting MPs in September this year, asked an important question: "Now that Agencies have become duplicative, expensive, and largely unaccountable, and some of you are saying Ministries are bureaucratic, slow and lack some critical human resources, what is the best way forward? Should we close Ministries and retain Agencies?"

This was a critical question, and it made the MPs realize it is not wise to keep both Ministries and Agencies for reasons already mentioned. However, they raised a concern that since some of the Ministries were not well prepared to immediately absorb the roles currently implemented by the Agencies, a transition period of three years should be allowed to build the capability of those weak Ministries. The President agreed.

But then, some of the MPs have since changed their mind and have been insisting that there is need for some Agencies to be exempt altogether from the rationalization. Their argument is that these Agencies, such as Uganda Coffee Development Authority (UCDA), are so critical that their rationalization could cause disruptions in the sectors they regulate or implement.

I have also read in mainstream and social media statements attributed to key opinion leaders raising similar fears. This is understandable since some of them were among the architects of the reforms that ushered in agencification.

Well, seven years ago, the President, in his letter dated 17th July 2017, asked similar questions:

(i) Why have Agencies where there are Departments of Government dealing in the same area of responsibility?

(ii) How much is being spent on sustaining Agencies?

(iii) Why separate the policy role from the regulatory role for non-commercial bureaucratic portions of Government?

(iv) Why have Boards for money-consuming Agencies other than money-generating Agencies?

(v) Is it a fair and efficient decision to consolidate, downsize and rationalize and pay well the non-commercial portions of State employees?

(vi) Is it better to consolidate the public service employees into two categories: policy, regulators and implementers; and money-makers running a few Parastatals?

To answer the President, a study group comprising different professionals, including economists, statisticians, lawyers, public administration experts, legislators, military professionals, and a strategist, spent half a year analyzing tons of data to provide a scientific solution.

The team reviewed 22 Ministries and 146 Agencies, Authorities, Boards, Bureaus, and Commissions. The team carried out a "functional analysis" of these entities, which unearthed overlaps, duplications and, in some cases, outright irrelevance of some of the Agencies in the delivery of Uganda's development aspirations.

In addition, the team conducted a "financial analysis" that dug out the cost implications of the duplication and overlaps in Government. It was established that whereas Agencies employed fewer workers than the mainstream public service, they spent more money on salaries and operations than the line Ministries.

On average the salary paid to a "median officer" (one representing the majority of others) with a master's degree working in an Agency was 10.4 times higher than that paid to an officer with similar qualifications and responsibilities in the mainstream public service.

As a result, Agencies spent about 30% more on salaries than what the Ministries spent. Indeed, in FY 2017/18, the wage bill for Agencies (Shs 1.3 trillion) almost doubled that of Ministries (Shs 693 billion), although the Agencies employed fewer workers (3,905) than Ministries then (18,532).

In addition, Agencies were found to be big spenders on allowances (Shs 362 billion), gratuity and NSSF (Shs 211 billion), travel (Shs 180 billion), fuel (Shs 59 billion), workshops (Shs 47 billion), consultancy services (Shs 75 billion) etc. On most of these items, Agencies outspent Ministries, yet the latter employed more people.

The argument has always been that Agencies deserved the higher wages and operational funds since they were comparatively better performers at service delivery. However, Ugandans and research have often cited implementation failure as one of Uganda's main challenges.

The reasons for this are embedded in the institutional framework. The architects of reforms promised that when delivery of public service is shifted to semi-autonomous Agencies, Ugandans would get better results since Government bureaucracy would be evaded.

What have been the results? Did Agencies excel at service delivery? Haven't we heard people saying that, instead, it seems the reforms simply "agencified" and liberalized corruption and abuse of public resources?

It is upon this functional and financial analyses that recommendations were made to rationalize Government and adopt a whole-of-Government approach to service delivery and wealth creation.

Therefore, this article intended to shed some more light on the overall objective of rationalization. I hope some people that were reducing the entire exercise to money, and those politicizing it will get a few facts straight. Politics should be about defining priorities. What is our priority as a country? We keep decrying poor implementation and we do not want to face the trade-offs required to deal with the problem!

I want to emphasize here that restoring the Government command-and-control structure to ensure effective implementation of Government work, to deliver services to Ugandans, is the main objective of rationalization. Government had become overly fragmented and the cost of running it had skyrocketed due to overlaps and duplications.

It is hoped that with rationalization – which soon should extend to the Ministries themselves, Local Governments, as well as other arms of the State – Government will deliver services in a more effective yet efficient way, facilitate wealth creation, and ensure accountability with results to the citizens.

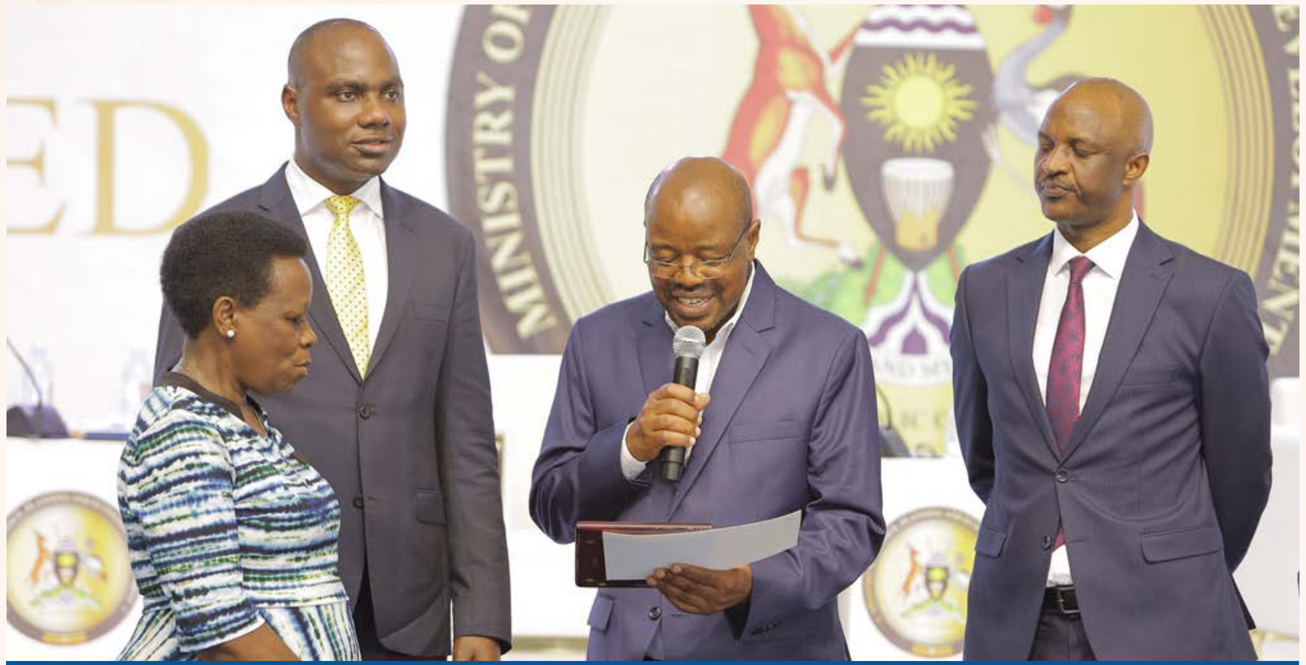
The writer is an Economist, the Permanent Secretary and Secretary to the Treasury

STAFF MEETING AND THANKSGIVING SERVICE PICTORIAL

Staff at the meeting

Staff of Macroeconomic Policy Department were recognised for good performance and won PSST's Award

Staff of Debit and Cash Directorate were recognised for good performance and won the Minister's Award



Retired secretary Ms. Baraka Albina was recognsed for her service to the Ministry

Cake Cutting

Finance Minister serving cake to PSST and other staff

WORLD BANK SAYS UGIFT PERFORMANCE IS SATISFACTORY

The World Bank team concluded a week-long implementation support mission (4th to 12th November 2024) of the Uganda Intergovernmental Fiscal Transfers Program for Results (UGIFT) to assess the implementation progress of the various activities under the program after restructuring.

World Bank team visiting UGIFT Projects in Kole District

By Shaka Isaac

The World Bank mission team was led by Barbara Magezi Ndamira, Senior Public Sector Specialist, who said the program had made satisfactory progress towards achieving the program development objectives, with 25 out of 31 (81%) targets met and 23 out of 34 (68%) intermediate indicators achieved.

She also noted improvement in timelines of releases of resources to Local Governments and enhanced adequacy of financing, with 111% overall growth between FY 2017/18 and FY 2023/24. Between these financial years, there has been exponential growth in fiscal transfers from UGX 1,789 billion to UGX 3,771 billion.

The four UgIFT result areas are:

1) Enhancing adequacy and equity of financing for Local Government services.
2) Improved oversight of service delivery by the Central Government.
3) Improvement in the management of services by Local Governments.
4) Improvement in the delivery of services and infrastructure by Local Governments.

The World Bank team, accompanied by government officials, visited the districts of Kiryandongo, Nakaseke, Kole and Lira to assess the progress on the infrastructure sub-projects and also interact with the Local Government leaders.

Magezi said some of the challenges that must be addressed include delays in the completion and operationalization of investments in terms of staffing, access to utilities, medicines and operational funds, in addition to the emerging requirements for the operation and maintenance of infrastructure and equipment.

The Acting Director Budget, Hannington Ashaba, said the UgIFT program has increased access to social services (health, education and water), adding that implementing entities should file all their progress reports and expedite completion of the remaining infrastructure sub-projects.

Ashaba said the Government of Uganda has initiated discussions on a successor program as the current UgIFT program comes to an end in December 2025.

UgIFT Progress highlights

Under the Education Sector: Construction of 114 out of **259** seed schools has been completed and the schools are functional. Completion of the remaining **145** is being fast-tracked. Enrolment in seed schools has increased from **27,967** recorded in 2022 to **62,670** learners enrolled by April 2024. Development and roll-out of management information systems (TELA) have been implemented in **14,495** Government of Uganda primary and secondary schools, among other certificate-awarding institutions, while 28,023 headteachers have been trained. Under refugee service delivery, **51** primary schools have been transitioned. In line with the restructuring program, 5,656 primary and secondary teachers as well as school inspectors have been recruited and accessed to the payroll.

In the Health Sector: 316 out of **371** HC IIs have been upgraded to IIIs, completed and partially operationalized. Completion of the remaining **55** is being fast-tracked. Over **25,639** deliveries were conducted between December and March 2024 in the upgraded health centre IIs to IIIs. Also, the construction of **Arua** and **Hoima** Regional Blood Banks has been completed and full operationalization is expected in December 2024.

Under refugee service delivery, **15** health facilities have been transitioned. **7,755** health workers have been recruited and accessed to the payroll.

In the Water Sector: 282 new piped water systems with **4,025** public stand pipes (PSPs) have been constructed, and **130** existing systems extended, with **440** taps installed in underserved communities, covering a piped network of 52,329 km. Also, **36** health facilities and **30** seed schools have been served with clean water. Over **871,000** population previously underserved now have access to clean water. Full roll-out of the water and environment information system (WEMIS) is expected by early 2025. **98** water and environment officers have been recruited and accessed to the payroll.

For Micro-scale Irrigation: 4,333 program beneficiary farmers have accessed micro-scale irrigation equipment and improved production. The number of the ongoing farm installations is **727.** The total irrigation coverage under consideration is **4,796.315 acres. Farmers already trained through the farmer field schools are now 19,636.**

As of June 2024, 46 out of 50 agreed upon service delivery actions had been achieved and this has strengthened processes, systems and the capacity for Local Government service delivery.

UgIFT receives Visionary Award 2024

UgIFT was also honoured as the best Government performing program of the year at the 12th Visionaries of Uganda Awards Ceremony, which was held at Kampala Serena Hotel under the theme: "Celebrating Excellence and Strengthening Sustainable Inclusive Socio-economic Development".

UgIFT was honoured for improving the adequacy, equity and effectiveness of financing and improving fiscal management of resources for health and education in line with Vision 2040 goals.

The Minister of State for General Duties, Henry Musasizi, and the Assistant Commissioner, Budget Policy and Evaluation Department in charge of Local Governments, Joseph Majanga, received the award on behalf of the Ministry.

Musasizi thanked the Visionaries of Uganda Advisory Board and the National Planning Authority for their tireless effort in ensuring that contributors to the economy are recognized and awarded every year.

The writer is the Communications Officer at MoFPED

Hon Musasizi and MoFPED team received the performance excellence Award

COMMISSIONER ISINGOMA ASSUMES CHAIRMANSHIP OF THE INTERNATIONAL MONETARY FUND (IMF) EXTERNAL AUDIT COMMITTEE (EAC)

Hussein Isingoma

The Commissioner Internal Audit Management Department in the Office of the Internal Auditor General at the Ministry of Finance, Planning and Economic Development, Hussein Kabyanga Isingoma, assumed the Chairmanship of the External Audit Committee (EAC) on 1st November 2024, for a period of one year ending October 2025.

This follows his appointment as a member of the International Monetary Fund External Audit Committee (EAC) in November 2022.

The External Audit Committee is a key element of the Fund's governance structure and is comprised of three external experts. The EAC has the responsibility of considering, among others, the financial reporting practices, the external audit framework, the system of internal controls, risk management, the internal audit framework and all other issues relevant for the fulfilment of its general oversight responsibilities. The EAC is also responsible for the transmission of the external audit reports issued by the external audit firm to the IMF Board of Governors, through the Managing Director and the Executive Board.

Hussein Isingoma is also a member of the International Internal Audit Standards Board (IIASB) of the Global Institute of Internal Auditors (IIA) and has served in leadership positions in several professional bodies. Hussein is a Fellow of the Chartered Certified Accountants (FCCA)-UK, a Certified Public Accountant (CPA), a Certified Internal Auditor (CIA), a Certified Information Systems Auditor (CISA) and a Certified Information Systems Manager (CISM). He holds a Bachelor's Degree in Business Studies and a Master of Science Degree in Accounting from the University of South Wales, United Kingdom.

PSST SAYS GOVERNMENT IS READY TO PROVIDE NECESSARY PUBLIC GOODS TO FACILITATE WEALTH CREATION

PSST Ggoobi speaking at the Pakasa Forum

By Shaka Isaac

The Permanent Secretary and Secretary to the Treasury (PSST), Ramathan Ggoobi, has said Government is going to do whatever is in its power and ability to promote wealth creation.

The PSST made the remarks at the 10th Pakasa Business Forum, where he was the guest of honour. The Forum took place at the Kampala Parents School Auditorium.

The Pakasa Forum is an annual business platform that brings together businesspeople to share business opportunities, challenges and solutions. This forum championed by the Vision Group started ten years ago with the support of other partners passionate about creating opportunities for small businesses, start-ups and business incubation.

"Your job as a wealth creator is to position yourself in such a way that you can tap into various opportunities availed by both the visible hand (Government interventions) and the 'invisible hand'," said the PSST.

He said Government's goal is full monetization of the economy, adding that Government is also deliberate in incentivizing and/or facilitating every adult Ugandan to engage in an income-generating activity, either by producing or trading a good or a service.

Ggoobi said the primary vehicle to deliver this is a micro, small or medium enterprise (MSME), which is the median business in Uganda, capable of ensuring inclusive growth of the economy.

He said to benefit from these opportunities, MSMEs must take deliberate steps towards formalization and professionalism, which includes formal registration to enhance visibility and compliance, certification and specialization to build credibility and expertise, and adherence to regulations to ensure operational legitimacy.

Ggoobi said Government has already provided a total of Shs 8.03 trillion to various wealth funds as alternative sources of affordable capital to unlock the business opportunities. These include the Uganda Development Bank (Shs 1.45 trillion), *Emyooga* (Shs 553 billion), the Parish Development Model (Shs 3.4 trillion), and the Agricultural Credit Facility (Shs 495 billion), among others.

He said Government is focused on addressing the binding constraints affecting business survival and growth, including: capital, technology (*tools, codes and know-how*); infrastructure (*electricity, transport and logistics, workspaces etc.*); and business knowledge and environment (*business development services, corporate governance, markets, multiple taxes, fees and licences, politics within the central business district (CBD), crime rates etc.*).

Opportunities and Outlook

The PSST said under the Fourth National Development Plan (NDP IV), Government has set out to implement a Tenfold Growth Strategy. The aim is to expand the economy from USD 50 billion in FY 2022/23 to USD 500 billion by 2040.

He said the areas that are going to be very lucrative are four, termed as the ATMS: Agro-industrialization; Tourism; Mineral-based industrialization, including oil and gas; and Science, Technology and Innovation, including ICT. Opportunities for MSMEs that are likely to emerge out of the strategic growth areas include:

Business to households

Ggoobi said the demand for household services and consumables will significantly increase over the next 15 years on account of rising household incomes (at 5% per year), population growth (at 2.9%), and rapid urbanization (at 5.2%).

He said Ugandans spend 46% of their money on food and rent, 16% on fuel and energy, 9% on transport and communication, 7% on school fees, 6% on groceries, 5% on medical care, 3% on clothing and footwear, and 8% on others.

Business-to-business (B2B)

The PSST said the size of our economy is projected to double in the next five years, adding that the private sector accounts for about 80% of Uganda's gross domestic product (GDP). He said this increase in GDP represents a large demand for intermediate goods and services between businesses, particularly in the areas of feedstock for manufacturers, industrial housing, industrial warehousing, data and ICT services, hotel and hospitality, tour and travel, private security services, accounting, insurance banking, transport and logistics, as well as media and communication.

Government-to-business (G2B)

Ggoobi said over 60% of the national budget is spent through procurement, noting that doubling of the GDP in the next five years translates into a similar increase in the size of government contracts in the areas of utility services energy and water, infrastructure contracts, transport, energy, water, ICT and supplies.

Ggoobi also urged the wealth creators to learn how to follow the money from export markets. He said Uganda's economy is changing. He said in 1995, coffee contributed 62% of Uganda's export earnings, followed by tourism at 10%, fish at 3%, maize at 2.5%, gold at 2.4%, tobacco at 1.6%, tea at 1.25%, and cotton at 1.2%.

By the turn of the millennium, in 2000, the contribution of coffee to Uganda's export earnings had reduced to 26.5%. Tourism rose to 27%, fish to 5.4%, and tobacco to 4.8%. ICT and cut flowers emerged at 2.5% and 1.3%, respectively.

By 2010, Uganda's export basket had become more diversified, with coffee reducing to 10%, ICT increasing to 15.2%, and several manufactured items emerging, such as cement at 2.3%, steel products, textiles, soap etc.

"Today, Uganda's top exports are gold (36.8%), travel and tourism (17.2%), coffee (10.51%), ICT (9.73%), transport (3.22%), cocoa beans (1.81%), sugar (1.2%), insurance and finance (1.07%), and fish (1%), and 28 other products," said the PSST.

Hands-on experiences and benefits of business networks

During this Forum, several experienced speakers encouraged entrepreneurs to join and actively participate in business networks and associations to propel their growth journey.

Sharon Tumusiime of Business Network International, a platform that provides access to trusted advice, referrals, and global connections, highlighted the importance of networking and collaborations to unlock opportunities.

Participants at the Pakasa Forum

Inspiring experiences

Joy Turamuhawe, the CEO of Cjay Home Solutions, noted the importance of formalizing business operations and separating business money (capital) from personal and luxury resources.

"Don't allow payments to go through your personal phone number. Open a business bank account and use tools like Momo Business Codes to streamline transactions and better manage your finances," she advised, adding that she missed out on many opportunities because she wasn't initially registered with the Uganda Revenue Authority (URA).

Solomon Tumwesigye, the managing director at Apt Media Ltd, testified that his company was able to grow due to referrals, abiding by the government regulations and formalization of the business with all the relevant government institutions.

"We got the Small Business Recovery Fund (SBRF) under government wealth initiatives because we were fully registered. Without registration, it wouldn't have been possible. That referral led to another, and the opportunities kept coming," he explained.

Expert advice to small businesses

Catherine Poran, CEO of Stanbic Business Incubator, noted that good governance and financial literacy are critical in achieving business sustainability. She said many small businesses fail to separate personal finances from business operations, which is key to long-term business success.

Dr. Diana Ntamu, Director, Makerere University Business School (MUBS) Entrepreneurship Centre, noted that small and medium enterprises (SMEs) in Uganda often depend on a limited, loyal customer base, which hampers their growth potential.

"Scaling a business starts with the intention. If you don't know your customers, it's difficult to serve them effectively. Do you have a database of your customers? Every business starts with understanding your customers and caring to know why they choose you. Retention is key to sustaining and growing your business," she said.

The writer is the Communications Officer at MoFPED

Deputy Secretary to the Treasury Patrick Ocailap participating in the 2024 Annual Health, Gender and Environmental awareness week activities at MoFPED

Minister of State for Investment & Privatisation Evelyn Anite (yellow top) with other participants at the closing of Doing Business Forum at Golf Course hotel. She applauded the role of the private sector in creating jobs

PICTORIAL

Minister of State for General Duties, Musasizi (4th L) officiated at the Capital Markets Economic Development Forum. He said capital markets have the potential to mobilise short and long term finance for the economy

Panelists at Capital Markets Development Forum

Signing ceremony for the design and build of Lusalira-Nkonge-Lumegere- Ssembabule road upgrading project worth Euro 126.44 million. Hon Musasizi exchanged Notes with Citibank CEO Ebru Pakcan in presence of Gen.Katumba Wamala the Minister of Works and Transport

HIGHLIGHTS FROM THE GLOBAL ENTREPRENEURSHIP WEEK 2024 CONFERENCE

The conference was organized by Enterprise Uganda in partnership with Gen Uganda, the Ugandan Chapter of the Global Entrepreneurship Network under the theme: **Entrepreneurship is for Everyone!**

Hon Musasizi representing Finance Minister Matia Kasaija at the Conference

Nations of the world came together between 18th and 24th November 2024 to celebrate and recognize entrepreneurs. In Uganda, the conference took place at Hotel Africana, with a business exhibition showcasing services and products.

Finance Minister Matia Kasaija, in his keynote address delivered on his behalf by the Minister of State for General Duties, Henry Musasizi, applauded entrepreneurs for building the businesses that create jobs and wealth for Ugandans, adding that this noble and patriotic role is the foundation of Uganda's economic prosperity.

He said the theme was timely, especially at this time when Government is putting emphasis on ensuring that the Ugandan population is productive through programmes like the Parish Development Model (PDM).

"I want to reaffirm the Government of Uganda's commitment to supporting the indigenous private sector at all levels, ranging from start-ups to large-scale enterprises that compete nationally, regionally and globally," said the Finance Minister.

He said the NRM Government strategy to prioritize ATMS (Agro-industrialization, Tourism development, Mineral-based industrialization, including oil and gas, as well as Science, Technology and Innovation, including ICT), is testimony to the commitment of building durable businesses that will deliver the tenfold growth of the economy and drive the socio-economic transformation of Uganda.

"I am confident that during this conference, you will be inspired, mentored, engaged and connected to continue building durable businesses," said the Finance Minister, adding that although Uganda is frequently acknowledged as one of the most entrepreneurial countries in the world, there is need to build businesses that outlive their founders and also create opportunities and value beyond the borders of Uganda.

The Minister also thanked Enterprise Uganda and all other partners for the noble duty of creating and nurturing firms that are registering durable success across the country.

The Executive Director, Enterprise Uganda, Charles Ocici, said that success in business requires discipline, commitment, sacrifice, human resource and giving priority to customer care.

The discussions at the conference focused on innovation, growth and resilience, demystifying funding opportunities for entrepreneurs, collaboration and connectivity.

The participants were also equipped with knowledge and tools to navigate the regulatory requirements and become successful entrepreneurs.

> **I am confident that during this conference, you will be inspired, mentored, engaged and connected to continue building durable businesses**

A photo moment during GEW 2024 Conference with Hon Musasizi and the participants

TAX EXPENDITURES NECESSARY FOR ECONOMIC GROWTH

By Apollo Munghinda

The Government of Uganda spends through the tax system (tax expenditure) in the form of tax exemptions, rate reliefs, allowances, deferrals, and credits, besides the public expenditure presented in the budget every financial year.

According to the annual Tax Expenditures Report for FY 2022/2023 published by the Finance Ministry in August 2024, Shs 2.9 trillion was the revenue foregone by Government in tax expenditure.

This is perhaps the reason why, over the past few weeks, the media and sections of the public have been engrossed in discussions with skepticism regarding this revenue foregone by Government when the country needs more resources to meet the expenditure needs!

Despite some people viewing tax expenditures as a deviation from the benchmark taxation system grounded on principles of good tax policy, such as fairness, many successful economies all over the world, including China, Singapore, South Korea, the USA, Thailand, the Netherlands and our East African Partner States, indeed offer tax exemptions for import duties, tax holidays, credits, investment allowances and income taxes for specific periods of time to promote particular economic goals.

For the record, tax expenditures in Uganda exist for numerous reasons, including supporting investment, attracting Foreign Direct Investment (FDI), local manufacturing to support export promotion and import substitution, job creation, and for social purposes or due to administrative difficulties in collecting revenue from hard-to-tax sectors.

In FY 2022/23, the value of foregone revenue due to tax expenditures accounted for about 1.62% of GDP. The total amount of tax collected was Shs 23.7 trillion, meaning that the value of revenue foregone due to tax expenditures was about 12.3% of total tax collections.

Based on estimates, Value Added Tax (VAT) is the tax head where revenue foregone associated with tax expenditures was highest. The cost of VAT expenditures in FY 2022/23 is estimated at Shs 992.2 billion, equivalent to 0.54% of GDP and accounting for 33.9% of the total revenue foregone from tax expenditure in Uganda.

As earlier alluded, these incentives provided to various sectors and individuals are aimed at driving the socio-economic transformation of the country. The incentives available to both local and foreign investors have indeed contributed to a resilient economy, as evidenced by the 6% growth rate in FY 2023/24.

As a country, we have made significant strides is strengthening the tax system. Our revenue-to-GDP ratio has improved from 8.9% in FY 2000/01 to 14.3% this FY 2024/25.

The tax incentives in agriculture and industry sectors, for example, have over the past decade led to significant growth in both sectors, averaging 5.5% and 5.1%, respectively, in FY 2023/24. The industry share of GDP has risen to 26.3% over the past decade, with agriculture contributing 23.6% to the total GDP.

Under VAT, the main exemptions are in the agricultural sector, specifically on inputs and equipment, because of the importance of the sector to Uganda's economy. Exempted items include milking machinery, milk coolers, maize mills, rice mills, grain cleaners and sorters, coffee roasters, agricultural sprayers, tillers, hullers, fertilizer distributors and implements used for artificial insemination in animals, among others.

Also exempt from VAT are health service equipment such as oxygen cylinders, disinfectants, medical plastics, face masks, body bags etc., educational materials, clean energy solutions, including solar, electric vehicles manufactured in Uganda, and cooking stoves, among others.

In the same spirit, companies exporting at least 80% of their production are exempt from income tax on profits derived from exports. Income from agricultural activities, especially in value addition, are exempt from tax. Investors in industrial and commercial buildings are allowed to claim a deduction of 5% per year over a period of five years, while investors in the construction of hotels and hospitals enjoy tax holidays for up to 10 years.

Under customs duty exemptions, certain capital goods, such as machinery and equipment used in manufacturing, agriculture and health sectors, are exempted from import duties. Under the duty remission scheme, manufacturers who import raw materials not available locally are exempted from tax or pay minimum tax rates to ensure the cost of business is low.

Government also grants a ten-year income tax exemption for developers and operators in an industrial park or a free zone with an investment capital of at least USD 10 million for foreigners or USD 300,000 in the case of a citizen, or USD 150,000 for citizens whose investments are upcountry. Investors can also benefit from corporate tax exemptions, zero-rated VAT and customs duty exemptions on imported inputs and raw materials. These exemptions are limited to activities such as processing of agricultural goods, manufacture of medical appliances, pharmaceuticals, chemicals for agricultural use, textiles and furniture, among others.

Regarding excise tax, lower duty rates are levied for products manufactured using raw materials sourced in Uganda. Indeed, local producers of soda, beer juices and spirits that buy raw materials such as sorghum, barley, maize, sugarcane and fruits locally, thus putting money in the pockets of Ugandans while enhancing value addition and manufacturing, are beneficiaries.

A taxpayer may also benefit from the provisions of a double taxation agreement that Uganda has with another country. Uganda has double taxation agreements with countries such as Denmark, India, Italy, the Netherlands, South Africa and the United Kingdom. Under this arrangement, Uganda Revenue Authority (URA) can facilitate the automatic exchange of information where such is provided for under an international agreement.

However, Government is taking steps to ensure that these incentives are effectively targeted and given in a transparent manner with predictable return on investment, bearing in mind that all sectors of the economy should contribute fairly to national development.

Government shall also continue to introduce reforms in income tax, VAT and excise duties to enhance revenue collection while minimizing the burden on taxpayers.

The Finance Ministry is currently reviewing the Tax Expenditure Governance Framework to maximize its effectiveness and minimize revenue losses. The Ministry will also continue to evaluate the effectiveness of tax expenditures to eliminate the redundant ones, while targeting the important ones to achieve the intended objectives. The framework also puts in place sunset clauses to ensure that exemptions are not held perpetually.

The Ministry is also conducting a cost-benefit analysis of these incentives and the economic impact report is expected by April 2025. This will help Government to rationalize these expenditures and improve revenue outcomes by generating at least 0.2% of additional revenue annually over the medium term, in addition to making good decisions during the implementation of NDP IV and the tenfold growth strategy.

We shall continue to regularly publish the Tax Expenditure Reports and share information across the tax system for purposes of transparency and accountability, cognizant of the fact that our tax policies are not just about revenue mobilization but also fairness, equity and simplicity.

The writer is the Principal Communications Officer at MoFPED

COMMENTARY

PSST Ggoobi briefing the Press on Quarter two expenditure releases for FY 2024/25 at MoFPED

COMBATTING FINANCIAL CRIMES: UGANDA EMBARKS ON SELF-ASSESSMENT AHEAD OF 2028 MUTUAL EVALUATION

Assessors training by FIA

By FIA Team

Uganda's key actors in the fight against financial crimes have launched a process of conducting a year-long Anti-Money Laundering/Countering Financing of Terrorism and Combatting Proliferation Financing (AML/CFT/CPF) self- assessment/ evaluation for the country, ahead of the 2028 Mutual Evaluation.

The objective of this self-AML/CFT/CPF evaluation is to assess Uganda's implementation and effectiveness level of measures to combat money laundering, financing of terrorism and proliferation of weapons of mass destruction using the Financial Action Task Force (FATF) methodology. This includes an assessment of Uganda's actions to address the risks emanating from designated terrorists or terrorist organizations as proliferation financing.

According to the Executive Director of the Financial Intelligence Authority (FIA), Mr. Samuel Were Wandera, the self-assessment will enable the country to identify the overall level of Uganda's compliance with FATF standards and develop mechanisms to address all outstanding issues ahead of the 2028 Mutual Evaluation.

In preparing for this critical exercise, the Uganda National AML/CFT/CPF Task Force resolved in July 2024 that an AML/CFT/CPF self-assessment be undertaken using the FATF Methodology for Mutual Evaluations. Mr. Wandera asserts that self-evaluation will provide an in-depth analysis of the effectiveness of Uganda's AML/CFT/CPF regime, including an in-depth description and analysis of the country's system for preventing criminal abuse of the financial system. The last Mutual Evaluation conducted in 2016 scored effectiveness as low across all the 11 immediate outcomes.

It is envisaged that the process of self-evaluation will help to enhance the capacity of Ugandan-trained FATF/ESAAMLG assessors by sharpening their skills in mutual evaluation. Uganda currently has a total of 50 trained assessors, including the 45 recently trained assessors. "The self-assessment will enhance the ability of Uganda to identify the current strength of its AML/CFT/CPF regime, identify weaknesses and allow Government authorities an opportunity to address all identified deficiencies ahead of the next Mutual Evaluation," the FIA boss observes.

Uganda is scheduled to undergo a Third Round of Mutual Evaluations by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2028. Through Mutual Evaluations the FATF determines the extent to which jurisdictions implement its 40 Recommendations and holds to account those it considers to be failing to implement effective AML-CFT systems through its review processes.

Uganda has made significant progress in strengthening its legal framework, including building capacity among stakeholders on AML/ CFT issues, undertaking a National Risk Assessment (NRA) in 2017 and 2023, and improving coordination and information sharing between relevant institutions, including exiting the FATF/ICRG list of increased monitoring (grey list). The country, however, currently remains with 11 outstanding FATF Recommendations rated either as partially compliant (PC) or non-compliant (NC). Despite the above progress, Uganda has been on the FATF list of countries under increased monitoring twice between 2013 and 2024. The first time Uganda was placed on the FATF grey list was in October 2013.

This was a result of the key strategic AML/CFT deficiencies identified in Uganda's first Mutual Evaluation Report of May 2005 compiled by the World Bank under the auspices of its Financial Sector Assessment Program; and Uganda exited the grey list in 2017. In February 2020, the FATF placed Uganda yet again on the list of countries identified as having strategic AML/CFT deficiencies. The Government of Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and exited in February 2024. The country is scheduled to undergo another Mutual Evaluation in 2028.

In order to ensure that this Mutual Evaluation does not result in the country getting back onto the grey list, the country has decided to undertake an AML/CFT/CPF self-evaluation ahead of the 2028 Mutual Evaluation. The self-evaluation will be a more extensive exercise conducted by Ugandan authorities to determine the degree of technical compliance, implementation, and effectiveness of systems to combat money laundering and the financing of terrorism and proliferation in Uganda. The assessment will come up with key interventions and recommendations for Uganda to take to address all remaining deficiencies. The self-evaluation will be conducted by Ugandan assessors using the FATF Anti-Money Laundering/Combatting Terrorist Financing Methodology 2013.

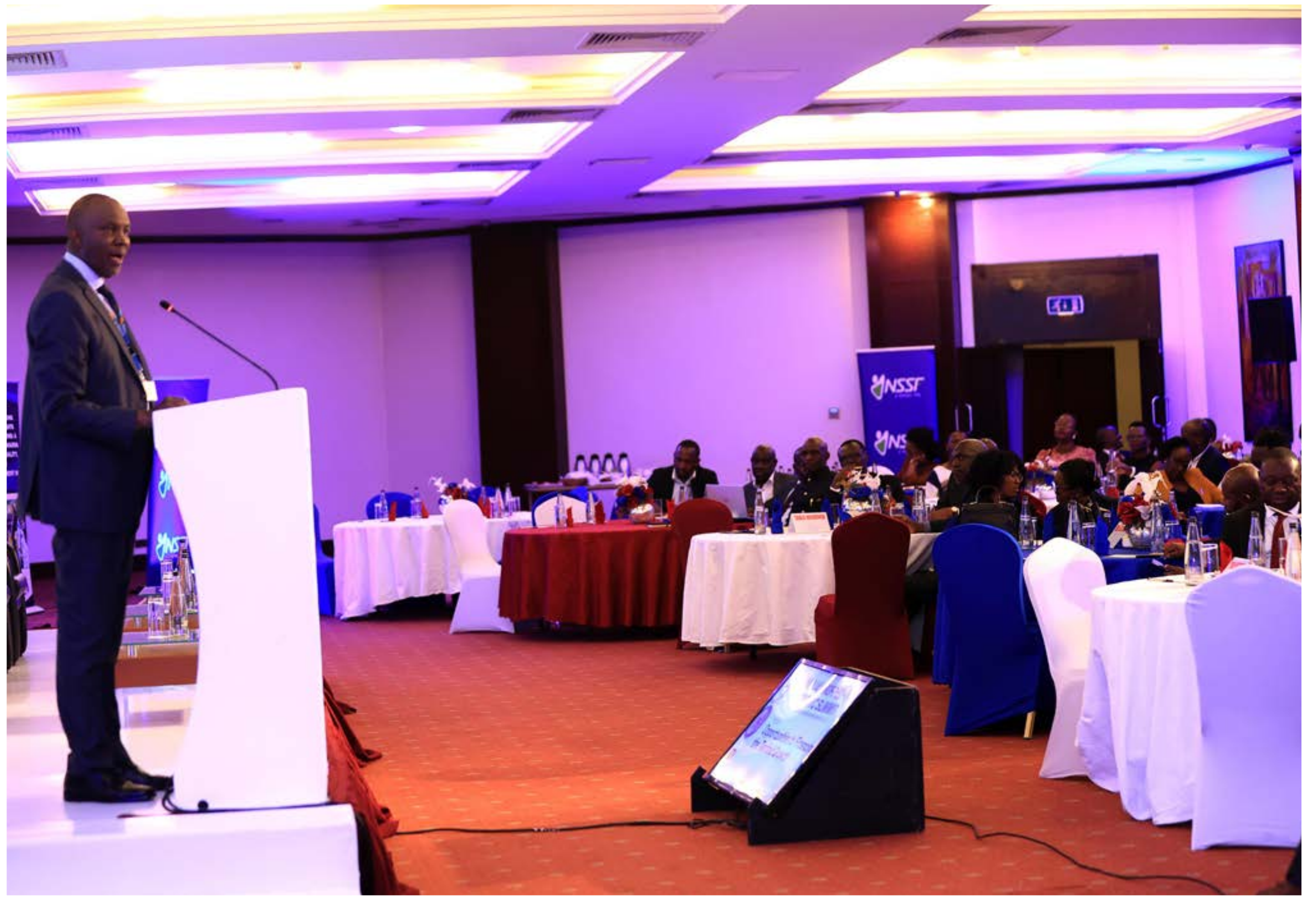
The United Nations Office on Drugs and Crime (UNODC) Uganda Head of Office, Ms. Sharon Lesa Nyambe, is optimistic that this initiative will be a vital milestone in Uganda's journey to combat financial crime and prepare for the 2028 ESAAMLG Mutual Evaluation. This year-long assessment, scheduled to run from October 2024 to October 2025, will strengthen Uganda's financial safeguards and enhance compliance with international standards, particularly the 40 Recommendations of the Financial Action Task Force (FATF).

Since the last Mutual Evaluation, Uganda has made significant strides, and the planned self-assessment provides a valuable opportunity to reflect on progress, evaluate current measures, and address any remaining areas for improvement. Ms. Sharon Lesa Nyambe asserts that this proactive approach not only ensures compliance but also enhances Uganda's capacity to counter financial crimes effectively, laying a strong foundation as the nation prepares for the 2028 Mutual Evaluation.

The FATF has communicated changes to the methodology that indicate that the focus in this coming round of Mutual Evaluations is going to be on effectiveness and not on technical compliance, as has been the case in previous evaluations.

The objective of this AML/CFT/CPF self-assessment, therefore, is to assess whether Uganda's existing AML/CFT/CPF laws and policies are being implemented fully and whether Uganda's AML/CFT regime is working effectively in line with the FATF standards. From this process, key interventions and recommendations will be derived, for Uganda to address all identified deficiencies, if any, prior to the Mutual Evaluation on Uganda by ESAAMLG in 2028.

The exercise is going to be conducted by the Ugandan AML/CFT-trained assessors, the majority of whom were trained during the in-country assessors training which took place from 2nd to 6th July 2024. Uganda now has a pool of about 55 trained AML/CFT assessors, 53 of whom are going to participate in this self-assessment exercise.



Acting Director Economic Affairs Moses Kaggwa delivered Keynote Address on behalf of PSST Ggoobi at the 8th Annual MoFPED-NTV Economic Summit under the theme-Opportunities for Financing Tenfold Economic Growth

Deposit Protection Fund of Uganda Board presented to the Finance Minister Matia Kasaija the Report for the FY ended June 2024 and the Quarter ended September 30,2024 showing growth in fund size to UGX 1.61 trillion

Minister of State for General Duties, Musasizi officiated at celebrations to mark the silver jubilee of Citibank Uganda at Protea hotel. He said Gov't remains committed to supporting growth of the financial sector

Minister of State for Planning, Lugoloobi (R) received African Peer Review Mechanism team led by Amb.Aly Elhefny. They were in Uganda to conduct the Africa Governance Report 2025 Country Institutional consultations

RETIREMENT BENEFITS SECTOR RECORDS GROWTH IN ASSETS AND INTEREST, BUT IT IS ALL ABOUT THE MEMBERS

By Lydia Mirembe

Manager, Corporate and Public Affairs, URBRA

In November 28, the Uganda Retirement Benefits Regulatory Authority (URBRA) released the Annual Retirement Benefits Sector Performance Report for FY 2023/24, indicating an 18.6% growth in sector assets from UGX 21.41 trillion in FY 2022/23 to UGX 25.4 trillion in FY 2023/24. The upward trajectory was also reflected in key sector indicators:

- The number of members with retirement benefits accounts increased from 3,142,311 in FY 2022/23 to 3,367,545 in FY 2023/24.
- Member contributions to retirement savings grew from UGX 2.20 trillion to UGX 2.39 trillion, of which employers accounted for 65% and employees for 35%.
- Income from investments grew from UGX 2.62 trillion to UGX 3.62 trillion.
- Average interest paid to members increased from 10.49% to 10.97%.
- The average balance in a saver's account increased from UGX 8.99 million to UGX 10.20 million in 2023/24.
- Total recoveries on account of unremitted contributions, unpaid benefits and misappropriation amounted to UGX 23.3 billion compared to UGX 26 billion in 2022/23, a result of supervisory intervention.
- Contribution of the retirement benefits sector to national Gross Domestic Product (GDP) grew from 12% to 12.2%.
- The sector contribution to tax revenue increased by 6.73% from UGX 234.8 billion in to UGX 250.61 billion.

Impressive as it may be, the performance of the retirement benefits sector boils down to the individual saver – it starts with individuals taking the decision to save for retirement and it ends with individuals having a good return on their savings and enjoying a retirement marked by financial independence and stability. Hence, trustees, fund managers, administrators, custodians, and all professionals in the sector should work tirelessly to allocate assets strategically where cost-effective investments are made to achieve the highest possible return for members. And this is the main reason why individual savers ought to be more interested in the affairs of their schemes and the sector as a whole.

Ordinarily, savers will look out for the annual interest declared by their scheme – because it immediately speaks to the value of their savings. Take the example of NSSF, which dominates the public agenda whenever they declare annual interest. The excitement among members is almost palpable! The same excitement grips members of other schemes when URBRA releases the annual sector performance report capturing the interest declared by all 65 schemes licensed by the regulator. For example, this year, the highest interest rate paid was 16.5% by the I&M Bank Staff Defined Contribution Scheme. My own URBRA Staff Retirement Benefits Scheme declared 12.2%, and I was over the moon!

However, savers should be keen to know details about their scheme performance beyond just the interest declared. They should ask questions such as: How did my scheme perform compared to others? How has my scheme performed over the years? What about the cost of operation at my scheme; how does it compare to other schemes? Does the size of my scheme matter; how about economies of scale? What is my risk exposure and how diversified are the investments undertaken by my scheme? What are the governance and operational issues in my scheme? Are there any leakages, and how do they affect my balance as a member? What are the mechanisms to mitigate or eliminate leakages? Why do some schemes perform better than others, although they all invest in the same market? Why do schemes under the same banner declare different interests; for example, the Mandatory NSSF declared 11.5% while their own NSSF Staff Provident Fund declared 13.5%. Similarly, ICEA (U) Limited Retirement Benefits Scheme declared 11% while ICEA Lion Teleka Umbrella Fund declared 2%. What are the repercussions for declaring an interest much lower than the national average of 10.97%?

While all those are critical questions, one wonders if the members are empowered enough to ask for answers and gain access to important information. The URBRA Act and regulations require trustees to give scheme members clear and appropriate information. This is one of the tenets of good scheme governance. Members ought to be aware of their rights and responsibilities. One of the key responsibilities of any scheme member is participation in the Annual General Meeting (AGM). It is a legal requirement for trustees to hold an AGM to inform members about scheme affairs. It is at the AGM that members will have an opportunity to engage with their trustees and learn all there is to learn about the governance of their scheme. It is therefore important to be an active, engaged member.

Apart from the comfort of high interest, members should also be interested in how their savings are growing. It is very important for a member to know the balance in their retirement savings account. This will help a member gauge the adequacy of their savings. Members work very hard and make sacrifices for the sake of financial independence in retirement. However, it would be displeasing for one to realise that all their savings cannot adequately cater to their retirement needs. According to the Annual Retirement Benefits Sector Performance report of 2023/24, the average balance in a saver's account increased from UGX 8.99 million to UGX 10.20 million in 2023/24. The average saver should therefore be reflecting and asking themselves, "If I retired today, would UGX 10.2 million sustain all my years in retirement?"

From the national development perspective, the retirement benefits sector contributes significantly to domestic savings and the availability of funds that the government can borrow from to invest in development projects. According to the Industrial Performance Report of FY 2023/24, the sector contributed 12.2% to the national Gross Domestic Product (GDP) and UGX 250.61 billion in tax revenue. Moreover, over 78% of funds are invested in government securities across the EAC region. It is therefore in the members' interest to know the performance of their scheme, if only to gauge how, as savers, they are contributing directly to national development.

Contribution to national development and the best possible outcome for individual savers are both key areas of interest. However, members should also be interested in the challenges that afflict the sector and how these affect their returns. One of the most pressing challenges is the design of provident funds, which does not facilitate the preservation and adequacy of retirement income. Savers have insufficient retirement savings, mainly attributed to operational inefficiencies at scheme level, early withdrawals for non-retirement purposes, low contribution rates, early retirement age and lack of provision for lifetime income owing to lumpsum pay-outs. As life expectancy at birth and retirement continues to improve, the need for retirement income solutions gets ever more urgent.

A key policy recommendation, therefore, is to change the current provident fund model to reflect the conversion of retirement benefits into lifetime income streams; a change in design parameters such as the retirement age of 55 under the NSSF Act, mid-term access and 100% lumpsum pay-outs to align with increasing life expectancy; institution of lifetime financing options and incentives to enable the transfer of benefits from one scheme to another whenever a member changes jobs; and enabling partial annuitisation of account balances and phased withdrawals.

In an ideal situation, savers should be the ones driving the agenda of their schemes and holding their trustees accountable. A member is the primary customer of the scheme trustees and service providers. Trustees have an obligation to protect and promote the interests of members and to make available information regarding member rights and obligations. Always remember, an informed member is a contented, empowered member. Without the active interest and participation of members, there are no retirement benefits worth speaking of.

> ***"The average saver should therefore be reflecting and asking themselves, "If I retired today, would UGX 10.2 million sustain all my years in retirement?***

NOTE: The full Retirement Benefits Sector Performance Report, 2023/24 can be accessed at: https://urbra.go.ug/download/retirement-benefits-sector-annual-report-2024/

Best performers in the Budget Directorate

Staff following the proceedings

Staff at the meeting

STAFF MEETING AND THANKSGIVING SERVICE PICTORIAL

Ministry photographer Kyaligonza received award from PSST for exceptional performance

Thanksgiving moment

PSST and DST shares a moment with one of the staff during the Awards Ceremony

NEWS BITS

PSST VISITS STEEL AND TUBE INDUSTRIES

The Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi, accompanied by his technical team, visited Steel and Tube Industries Ltd at Namanve Industrial Park at the invitation of its founder and Chairman, Joseph Yiga.

In line with the country's industrialization agenda, the visit aimed at assessing the operations of Steel and Tube Industries Ltd and also identifying the challenges that need to be addressed to ensure that it remains competitive within the region and beyond.

Steel and Tube Industries Ltd, with capital investment of USD 130 million, is one of the largest steel manufacturing companies in East Africa. They supply high-quality steel products for construction and building projects.

Some of the challenges raised by Yiga include high cost of financing and high cost of electricity.

The PSST, in his response, said Government is aware of these challenges and is working hard to ensure that the binding constraints are addressed.

Steel and Tube employs about 8,800 people directly and indirectly and contributes USD 23 million in taxes.

Steel and Tube is also known for producing the first ever high-grade steel (Stil TXM bar) in Uganda. They also have plans of setting up an iron ore processing plant in Uganda.

TREASURY CENTRE ANNUAL CUSTOMER SERVICE WEEK

The Under Secretary and Accounting Officer, Dr. Sengonzi Damulira, while closing the Annual Customer Service Week, expressed his heartfelt gratitude to the Treasury Centre staff for their unwavering commitment to delivering exceptional service.

The Annual Customer Service Week is an opportunity to interact with all clients and take stock of the performance over the course of the year.

"This week has been a testament to the power of collaboration and dedication between system users and support officers. I commend the Treasury Service Centre for spearheading this initiative, now in its second year, and hope it inspires other departments to follow suit," said Dr. Sengonzi.

The theme for the 2024 Customer Service Week was: **"Empowering Customers through Digital Transformation and Expanded Services: Driving Uganda's Growth".**

The establishment of 11 regional service centres to complement the Treasury Service Centre has significantly broadened access to Public Financial Management (PFM) system services across the country and demystified the automation of Government processes.

INSURANCE STAKEHOLDER ENGAGEMENT

Officiating at the insurance stakeholder engagement, the Minister of State for General Duties, Henry Musasizi, said the insurance industry on the global stage remains a cornerstone of economic resilience, facilitating the management of risks and the accumulation of savings that contribute to long-term stability.

"In developed economies, insurance has evolved beyond traditional products to embrace innovations that address emerging risks in cyber security, climate change, and digital transformation," said the Minister, adding that this forward-thinking approach allows industries and individuals alike to manage uncertainties in increasingly complex global markets.

Musasizi also noted that the insurance sector in Uganda continues to make steady strides in growth and relevance within the economy. As per the latest report, the sector paid out claims worth Shs 820.47 billion in 2023, a 36.84% growth from Shs 599.59 billion in 2022.

Through the Shs 5 billion annual subsidy, over 140,000 farmers have accessed affordable insurance, contributing to rural economic empowerment and food security.

PSST GGOOBI BRIEFS UPCOUNTRY JOURNALISTS

As part of the initiatives to enhance information flow from the Ministry to the people at the grass roots, the PSST, Ramathan Ggoobi, briefed upcountry-based journalists on the state of the economy and Government priorities in the short and medium term.

He told them that Uganda's economy has fully recovered from the previous global, regional and domestic shocks and is on the right growth path.

"The strong recovery has been mainly on account of increased investments and exports, reflected in the growth of agriculture, industry and services sectors of the country," said the PSST, adding that Uganda's growth and socio-economic transformation have also been on account of intentional investments by Government in key wealth creation initiatives over the last 10 years.

Government has invested over Shs 8.3 trillion in key wealth creation initiatives such as the Parish Development Model (PDM), Emyooga, the Youth Livelihood Programme (YLP) and Uganda

Development Bank (UDB).

Ggoobi said the economy is projected to grow by 6.4% at the end of FY 2024/25, 7.0% in FY 2025/26, and in double digits by FY 2029/30. He also briefed the journalists on the tenfold growth strategy of growing the size of Uganda's economy from the current GDP of USD 53 billion to USD 500 billion by the year 2040.

DID YOU KNOW?

1

The economy is projected to grow by 6.4% at the end of FY 2024/25, 7.0% in FY 2025/26, and to double digits by FY 2029/30. To achieve this growth, the available resources will continue to be channelled into areas including peace and security; wealth creation initiatives like PDM and Emyooga; maintenance of roads and bridges; rehabilitation of the Metre Gauge Railway and construction of the Standard Gauge Railway; electricity transmission; oil and gas; as well as science, technology and innovation.

2

Government has over the last ten years cumulatively invested over Shs 8.03 trillion in key wealth creation initiatives like the Parish Development Model, Emyooga, Uganda Development Bank, Uganda Development Corporation, the Youth Livelihood Programme, the Small Business Recovery Fund, the Agricultural Credit Facility, the Youth Venture Capital Fund, Uganda Women Entrepreneurship Programme, the INVITE Project and the GROW Project. This is aimed at addressing the issue of high cost of credit and easing access to affordable financing

3

The implementation of the Domestic Revenue Mobilization Strategy (DRMS) is in full gear. The aim of Government is to increase domestic revenue from 14% of GDP in FY 2023/23 to 30% by FY 2039/40. This will be achieved through enhanced tax reforms, digital payment systems and reducing leakages in revenue collection.

4

To enhance efficiency in business registration and reduce the share of the informal sector to GDP from 51% in FY 2020/21 to 45% in FY 2024/25 as set out in NDP III, Government has advanced its e-government agenda by launching the online business registration service and implementing business registration reforms, which allows seamless online registration of businesses. On account of these reforms, the number of businesses registered increased from 46,324 in 2020/21 to 55,711 in 2023/24.

5

The Development Plan Implementation Programme (DPI) of the 4th National Development Plan (NDP IV) has five programme objectives and these are: Strengthening the capacity for evidence-based development planning across government; enhancing resource mobilization to finance the National Development Plan; strengthening budgeting and accountability systems; strengthening oversight, coordination, monitoring and evaluation across government; and strengthening the legal, policy, institutional and coordination capacity of the DPI programme..

6

Uganda's public debt remains sustainable. The ratio of the public debt to GDP declined to 46.7% in FY 2023/24 from 46.9% in FY 2022/23. This is below the limit of the Charter for Fiscal Responsibility of 52.4% for FY 2023/24. In particular, the total debt stock as at end of June 2024 stood at USD 25.6 billion, equivalent to Shs 94.7 trillion.

“Quote”

“I want to take this opportunity to reaffirm the Government of Uganda’s commitment to support the indigenous private sector at all levels, ranging from start-ups to medium and large-scale enterprises that compete nationally, regionally and globally,” said Finance Minister Matia Kasaija in his message at the Global Entrepreneurship Week Conference in Kampala.

“I wish to urge all players in capital markets to embrace technology to facilitate trading. Ensure financial inclusion in the financial markets and also consider the development of sustainable financial and investment products that are tailored to the needs of the investors,” said Minister of State for General Duties, Henry Musasizi, while officiating at the Capital Markets Round Table World Investors Week, 2024.

“Despite the rise in investment and use of crypto assets in trade and commerce around the world, governments in Africa still have very limited data on crypto assets mainly because the trade of crypto assets is decentralized and the enablers of the trade, i.e. virtual asset service providers, need not to have physical presence in a country to facilitate trade. Use of Virtual Private Networks (VPNs) makes the monitoring of online transactions and payment difficult,” said Minister of State for Planning, Amos Lugoloobi, at the 17th Global Forum Plenary Meeting on transparency and the exchange of information for tax purposes in Paraguay.

“While visiting Kyango parish in Kalisizo, I reflected on how much our people’s well-being depends on those they trust to lead them. As leaders, from village councils upward, we carry the weight of that trust. Despite past conflicts that slowed development, I am focused on a united and prosperous Kyotera,” said the Minister of State for Microfinance while monitoring wealth creation interventions in Kyotera district.

“The Government of Uganda places considerable emphasis on creating a conducive environment for the private sector, which is the engine for job creation, innovation, wealth generation and economic growth. This calls for targeted reforms to reduce the cost of doing business and enhance competitiveness,” said the Minister of State for Investment and Privatization, Evelyn Anite, while officiating at the Doing Business Forum in Kampala.

“Attracting more Foreign Direct Investment (FDI) will be critical for shifting our economic growth trajectory to a higher level through sound economic and financial policies, infrastructure development, reducing the cost of doing business, improving governance of government institutions and corporate sector,” said PSST Ramathan Ggoobi at the 8th Annual MOFPED-NTV Economic Summit.

EXPLORE UGANDA

TOURIST ATTRACTION: Birds at Lake Albert and Monkey at Bwindi Impenetrable Forest

POLICY ISSUES

1 Achieving the tenfold growth GDP target means doubling the size of the GDP every 5 years for the remaining three NDPs, a six-fold increase in per capita GDP by 2040 from USD 1,093 (FY 2022/23) to about USD 7,000 (FY 2039/40), doubling the level of savings in the economy from 20% to 40% to match the required level of investment (40% of GDP) and a fast and significant increase in annual Foreign Direct Investment (FDI) inflows from USD 2.9 billion (2022) to USD 50 billion.

It also calls for a rapid increase in value-added exports (50:50:50 principle):

i. Exports in GDP (from 12% in 2022 to 50%).
ii. Manufactured goods in merchandise exports (from 13% in 2022 to 50%).
iii. Medium and high-tech products in manufactured good (from 21% in 2022 to 50%).

The other key factor is rapid accumulation of the stock and quality of: i) Human capital (from a medium to high HDI rank). ii) Physical capital, including energy (2,005MW to 20,000MW) and rail transport (Metre Gauge Railway and Standard Gauge Railway).

iii) Natural capital (forests, swamps, rivers and lakes, biodiversity).

2 The third National Development Plan (NDP III) identified textiles, apparel, and fisheries as priority sectors for building a resilient, integrated, independent, and self-sufficient economy. However, the plan highlighted a significant gap in textile and fish yields between research stations and actual farms, primarily due to the use of an unskilled labour force in agricultural production.

The Economic Policy Research Centre studied Uganda's fish and cotton value chains, focusing on jobs, skills, technology needs, and investment opportunities. The report findings of March 2023 highlight a gender divide, with men dominating the fish industry (99%), while women (60%) are prevalent in cotton, mainly in low-skill roles. Key investment opportunities include value addition in fish products, quality control, sustainable gear in fisheries, industrial textile by-products, and high-end textile manufacturing.

The study emphasized three lucrative fish varieties, including silver fish (*mukene*), Nile perch (*mpuuta*) and tilapia (*ngege*). Over 99% of persons involved in the fish business (irrespective of fish type) are males (both young and adults) while women are mainly involved in local processing (sun-drying, salting and deep frying) of silver fish compared to Nile perch and tilapia. Women and youth take part in the Nile perch and tilapia processing chain by smoking and salting the bones after removing the fillet.

3 East African Community (EAC) regional trade maintained steady growth and is projected to continue on the same trajectory, driven by accelerated trade, economic integration and global transformation (EAC Trade and Investment Report, 2023). Trade in services outperformed trade in merchandise goods, driven by the recovery of tourism and travel-related services.

While EAC exports are still primarily agriculturally based low-technology commodities, the share of manufactured goods in total exports, especially to regional markets, has been increasing gradually, supporting the region's post-pandemic recovery. In 2023, total global merchandise trade by the EAC grew by 2.37%, valued at more than USD 80 billion.

Intra-EAC total trade similarly grew by 13.1% to USD12.1 billion in 2023, with the percentage share of intra-EAC trade to EAC total trade increasing to 15%. The European Union and Asia were the major destinations for agricultural and primary products exports, with regional markets being key destinations for manufactures. Key manufactured exports included textiles, chemicals, edible oil, cement, iron and steel, cosmetics and pharmaceuticals.

Relatively, global FDI maintained a slowdown during 2023, occasioned by global financial volatilities and geopolitical tensions, with Africa and the developing economies being hardest hit. However, the EAC region registered growth in both domestic and foreign investment, with most investment directed to communications, ICT services and software, consumer products and biotechnology.

3 According to the African Development Bank (AfDB), the Eastern Africa Region is expected to maintain its position as Africa's fastest growing region, with real GDP growth rising from an estimated 1.5% in 2023 to 4.9% in 2024 and 5.7% in 2025.

For the region's economies, the forecast growth acceleration in 2024 will be bolstered by strong government spending and strategic investments to improve in-country connectivity and facilitate trade with neighbouring nations, coupled with ongoing efforts to modernize agricultural production and boost productivity in the services sector. However, an increasingly complex interplay between economic, climate and geopolitical risks could affect the economic performance and recovery of the EAC.

> ***The EPRC report findings of March 2023 highlight a gender divide, with men dominating the fish industry (99%), while women (60%) are prevalent in cotton, mainly in low-skill roles.***

IT SECURITY: A QUICK LOOK AT "PHISHING ATTACKS"

By Byereeta Leone Samson

A phishing attack is a practice of sending fraudulent communications that appear to come from a reputable source. It is usually done through emails. Phishing attacks are the ***most common*** and ***effective*** cybersecurity threats to individuals and organizations. Most phishing messages indicate immediate action is needed to avoid an unwanted time-sensitive consequence. Be suspicious of all requests and review messages carefully to determine if the message may be a phishing scam.

How to detect phishing attacks:

Be suspicious of all requests!!

Ask, "Is this real?" Use the following checklist to check for common signs of phishing messages:

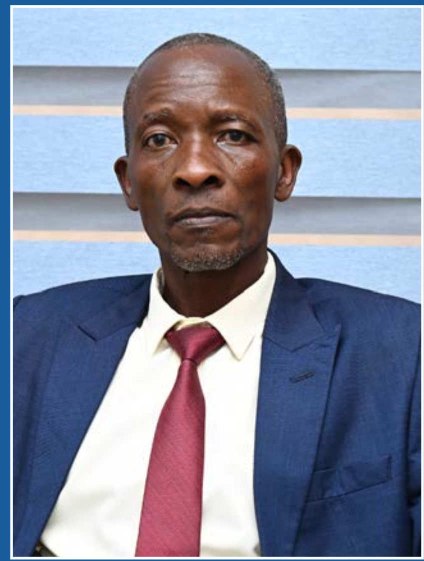
- *Message indicates urgent action is needed and is very important.*
- *Message indicates negative consequences will occur if action is not taken.*
- *Message is not expected.*
- *Message sender is not known.*
- *Message cannot be read without opening an attachment.*
- *Message requests sensitive information be sent.*
- *Message directs users to "Click here".*
- *Message uses poor grammar and/or spelling.*
- *Sender from: name does not match message signature.*
- *Sender email address does not match organization name.*
- *Sender email address is not exactly the same as real address.*
- *Website address (URL) of linked site does not match organization.*

If you believe you were already tricked by a phishing scam:

1. Immediately change your password(s)!
2. Scan your computer for malware that may have been introduced!
3. Report the incident by sending email to <security@ifms.go.ug> !

The writer is a Systems Officer, Accountant General's Office

WEALTH CREATION IS GRADUAL AND INDEFINITE



By Charles Mukasa

From the book Deuteronomy 8:18, God gave man powers to go and create wealth from the immense resources surrounding him (Deut 8:7-10). Wealth creation is the process of adding value to the already existing God-given wealth in the form of natural resources. Value can also be added to manufactured goods and services, depending on the favourites.

Wealth creation is the major route for personal and national economic development. Once wealth is created, it brings about financial freedom.

His Excellency the President of the Republic of Uganda, in execution of the 5th point of the original NRA/M Ten-Point Programme, has initiated a number of programmes and projects aimed at helping citizens to improve their household incomes, prioritize saving and investment in order to create wealth that will foster national development.

Wealth and the prosperity of homesteads and nations at large are the sole responsibility of visionary leaders at all levels.

Wealth creation is not a one-time event or a one man's show. It is a process that continues from generation to generation, and it requires discipline, patience, strategy and consistency.

Wealth creation is essential in the sense that it shapes the future of generations by improving their livelihood, creating jobs and widening the nation's tax base. Economic growth and development can be achieved if and when both Government and citizens positively, actively and endlessly participate in value addition activities.

How can we create wealth?

As mentioned earlier, wealth creation is the process of adding value to the existing resources. To create wealth from an asset, attention should be paid to the quality of the asset. An idle or a depleting asset does not stimulate wealth creation.

We can create wealth by continuously improving on the existing resources that include natural, human, social and intellectual resources, as well as manufactured goods. In other words, wealth is created by adding value to what is available, understanding your environment and being focused.

Let's take examples like:

a) Collection of scrap. Scrap materials are a waste and dangerous when they are scattered but once they are collected, assembled in one place and value is added to them, they turn out to be a source of wealth.

b) Construction of a power-generating station on a river. This is one way of adding value to the river, thus creating wealth for the nation.

c) Planting trees. This is obviously adding value to the land, thus creating wealth for the landlord.

d) Assisting and encouraging your children, relatives and workmates to acquire higher levels of education and skills. This is one way of adding value to the families, organizations and the nation at large.

We can think of many other ways since the world is not static, and our tastes and desires change day by day.

We waste a lot of time grumbling, blaming Government, relatives and friends for our failure to prosper, yet God created wealth around each one of us in different forms.

We struggle to get out of poverty but we apply a wrong concept **(Income – Expenditure = Saving)**. This concept leads to absolute poverty since you will consume all the income and nothing will be left for saving. This is what His Excellency the President refer to as "**working for the stomach alone**".

In life, we all strive for a better future. Therefore, we must save for the future. To achieve this, we need to apply the "pay yourself first" concept, i.e. **Income – Saving = Consumption**. This concept prioritizes saving, which is the base for wealth creation.

Wealth creation is not all about an individual because self-attitude leads to both minimal thinking and planning. Apply your knowledge and ability to the abundant God-given resources around you and turn them into something that can work for the good of society. The Kiteezi tragedy should have been avoided if the mountain of garbage had originally been seen as a source of wealth rather than a hazard.

Wealth creation is a vision but not a deal. Your willingness to take a long-term view helps you to think about the future generations. Through wealth creation we can stop being preoccupied with meeting our own basic needs and start thinking broadly about others, empowering and encouraging them to create their own wealth through job creation.

To create wealth, we need to establish and cherish an income-generating, saving and investing culture, rather than a consumption household. In the process of wealth creation, we should always consider what adds money into our pockets (assets) and avoid things that drain our pockets.

Wealth is created for the benefit of future generations. Blessed is the man who plans for his grandchildren, and lucky are the grand-children who realize the dreams of their forefathers.

The Baganda have a saying: ***"OBUGAGGA NTUYO BW'OWUMULA NGAZIKALA"***. This saying means that *wealth is like sweat; it ceases when you stop exercising*. Remember the saying that "Rome was not built in one day". The struggle for wealth creation must continue.

The writer is an Accountant at MoFPED

Mr. Ishmael Mweru Magona retired from Public Service while serving as Acting Director Budget. He attained mandatory retirement on 3rd November 2024. The Ministry organised a luncheon to honor his service in Government and also bid him farewell.

Mr. Magona and his family at the farewell luncheon

Mr. Magona and family with Head Human Resource Prudence Rwangoga (L) cutting the cake

FAREWELL LUNCHEON PICTORIAL

ED CSBAG, Mukunda & ED ACODE, Dr. Twinomugisha handing over appreciation certificate to Mr. Magona

Hon. Musasizi handing over a gift from the Ministry to Magona

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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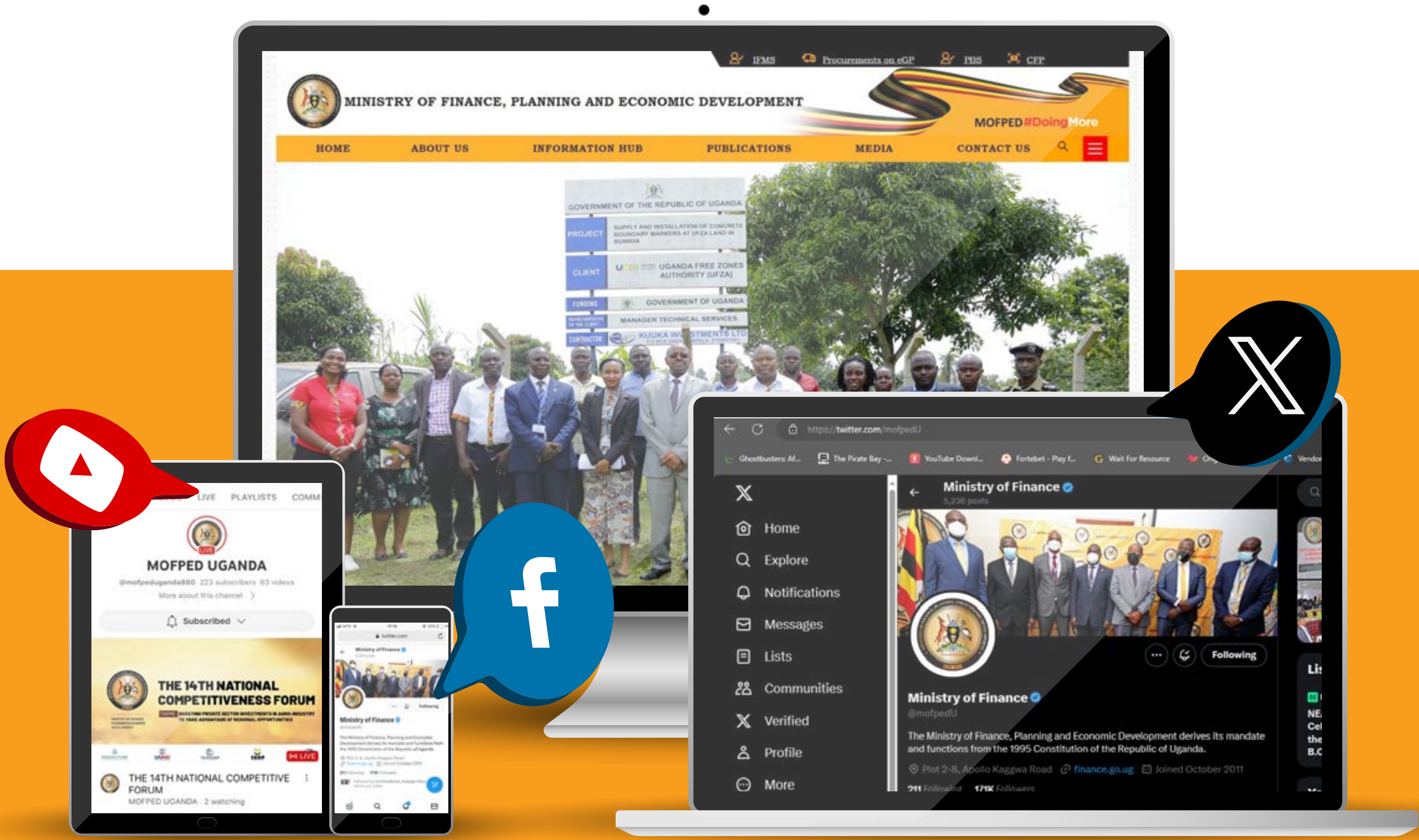

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