



**MINISTRY OF FINANCE, PLANNING AND  
ECONOMIC DEVELOPMENT**



**PRIVATE SECTOR DEVELOPMENT  
(PSD) PROGRAMME**

**ANNUAL PERFORMANCE REPORT  
FY 2024/25**





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# Abbreviations and Acronyms

<b>ACF</b>	Agricultural Credit Facility
<b>ADR</b>	Alternative Dispute Resolution
<b>AfCFTA</b>	African Continental Free Trade Area
<b>ATMS</b>	Agro-industry, Tourism, Minerals/Manufacturing and Services/ICT
<b>AUM</b>	Asset Under Management
<b>BHCs</b>	Business Health Checks
<b>BDS</b>	Business Development Services
<b>BoU</b>	Bank of Uganda
<b>BRN</b>	Business Registration Number
<b>CBFs</b>	Community-Based Facilitators
<b>CIS</b>	Collective Investment Schemes
<b>CMA</b>	Capital Markets Authority
<b>DCO</b>	District Commercial Officer
<b>DFE</b>	Deal Flow Facility
<b>DFCU</b>	Development Finance Company of Uganda Limited
<b>DFI</b>	Development Finance Institution
<b>DMCC</b>	Dubai Multi-Commodities Centre
<b>EAC</b>	East African Community
<b>EAVCA</b>	East African Venture Capital Association
<b>eBIZ</b>	Electronic Business Portal
<b>ECD</b>	Economic and Commercial Diplomacy
<b>EDPRD</b>	Economic Development, Policy and Research Department
<b>EICGS</b>	Export Insurance Credit Guarantee Scheme
<b>EPRC</b>	Economic Policy Research Centre
<b>EPZ</b>	Export Processing Zone
<b>EU</b>	European Union
<b>ETW</b>	Entrepreneurship Training Workshops
<b>FSD</b>	Financial Sector Deepening
<b>FSDA</b>	Financial Sector Deepening Africa
<b>FY</b>	Financial Year
<b>GEMS</b>	Growth Enterprise Market Segment
<b>GDP</b>	Gross Domestic Product
<b>GFF</b>	GROW Financing Facility
<b>GoU</b>	Government of Uganda
<b>GROW</b>	Growth Opportunity and Productivity for Women Enterprises
<b>HMOs</b>	Health Maintenance Organisations
<b>IDA</b>	International Development Association
<b>ICT</b>	Information and Communication Technology
<b>IRA</b>	Insurance Regulatory Authority
<b>ISO</b>	International Organisation for Standardisation

<b>KIBP</b>	Kampala Industrial Business Park
<b>INVITE</b>	Investment for Industrial Transformation and Employment
<b>MDTF</b>	Multi-Donor Trust Fund
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MFI</b> s	Microfinance Institutions
<b>MoU</b>	Memorandum of Understanding
<b>MSC</b>	Microfinance Support Centre
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>MTIC</b>	Ministry of Trade, Industry and Cooperatives
<b>NEC</b>	National Enterprise Corporation
<b>NDP</b>	National Development Plan
<b>NGO</b>	Non-Governmental Organisation
<b>NHCCL</b>	National Housing and Construction Company
<b>NITA-U</b>	National Information Technology Authority-Uganda
<b>NPA</b>	National Planning Authority
<b>OBRS</b>	Online Business Registration System
<b>OSC</b>	One-Stop Centre
<b>OSBP</b>	One-Stop Border Post
<b>PDEs</b>	Procuring and Disposing Entities
<b>PDMIS</b>	Parish Development Model Information System
<b>PDO</b>	Project Development Objective
<b>PFI</b>	Participating Financial Institution
<b>PIAP</b>	Programme Implementation Action Plan
<b>PSD</b>	Private Sector Development
<b>PSES</b>	Private Sector Engagement Strategy for Refugees
<b>PTCs</b>	Practical Training Centres
<b>PWDs</b>	Persons with Disabilities
<b>RBS</b>	Retirement Benefits Sector
<b>RHDs</b>	Refugee Host Districts
<b>RHC</b>	Refugee Host Communities
<b>RIA</b>	Regulatory Impact Assessment
<b>SACCO</b>	Savings and Credit Cooperative
<b>SBRF</b>	Small Business Recovery Fund
<b>SMEs</b>	Small and Medium-Sized Enterprises
<b>SIMPO</b>	Security Interest in Movable Property Registry
<b>SITC</b>	Standard International Trade Classification
<b>SOFTE</b>	Soroti Fruits Limited
<b>SRCI</b>	Sub-Regional Competitiveness Index
<b>TGCU</b>	The Grain Council Uganda
<b>TWG</b>	Technical Working Group
<b>UEDCL</b>	Uganda Electricity Distribution Company Limited
<b>UFZEPA</b>	Uganda Free Zones and Export Promotions Authority
<b>UNFF</b>	Uganda National Farmers Federation

## FOREWORD

The Government of Uganda remains committed to advancing a private sector-led growth agenda as the most sustainable pathway to productive jobs, higher household incomes and structural economic transformation. The Private Sector Development (PSD) Programme provides the coordination framework through which Government, Private Sector and Development Partners implement reforms and strategic investments that lower the cost of doing business, expand access to affordable finance, strengthen enterprise capabilities, promote local content, improve standards and quality infrastructure among others.

During the year under review, performance against the Programme's key results was mixed, with excellent, good and fair scores in several areas. Excellent performance was registered in Total Exports that reached USD 13,190.6 million, well above the NDP III annual target of USD 7,356 million. Access to affordable credit improved, with non-commercial lending to key growth sectors rising to 4% of GDP, against the target of 3%. On the other hand, fair performance was registered in the value of public contracts awarded to local firms that remained low at 59.9%, against the NDP III target of 80%. Further, the informal sector's share of the economy remained high at 54.75%, against the NDP III target of 45%. These results underscore the need to intensify business formalisation, strengthen local supplier development, and deepen reforms that enable Ugandan firms to compete effectively in domestic, regional and global markets.

As Government transitions from the NDP III to the NDP IV, we will focus on sustaining the achievements so far registered and prioritise actions that address the weak areas of performance, with a view to improve business competitiveness, accelerate industrial infrastructure development, strengthen standards compliance, widen participation of Ugandan enterprises in public procurement and value chains, etc.

For God and My Country



Henry Musasizi (MP)

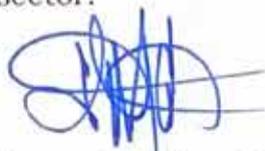
**MINISTER OF STATE FINANCE, PLANNING AND ECONOMIC DEVELOPMENT  
(GENERAL DUTIES) ALSO HOLDING THE PORTFOLIO OF MINISTER OF  
FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**

## ACKNOWLEDGEMENTS

This Report is the product of coordinated efforts by the Private Sector Development (PSD) Programme institutions and key stakeholders, who contributed the content, including illustrations of the actions they undertook and results achieved as they implemented the commitments agreed in the Programme Implementation Actions Plan, Budget Framework Papers and Ministerial Policy Statements for FY 2024/25. The report provides details of the PSD Programme performance, emerging issues and recommendations, as well as evidence to inform decision-making and accountability for results.

I therefore commend the PSD Programme institutions, especially the members of the various Technical Working Groups for their cooperation and support in the implementation of the Programme interventions, and compilation of this report. I further appreciate the strategic guidance provided by the PSD Programme Leadership Committee, and the support and cooperation from our Development Partners. Special recognition is extended to the PSD Programme Secretariat for coordinating the reporting process, consolidating and refining the performance information and publishing this report.

I invite you to make use of the evidence, lessons learned and recommendations presented in this report to improve your organizational performance, as well as provide feedback on the PSD Programme's performance in supporting the private sector.



Ramathan Ggoobi,

**Permanent Secretary/Secretary to the Treasury**

**Chairperson, Private Sector Development Programme Working Group**

# Executive Summary

**T**his Programme Annual Performance Report (PAPR) highlights the performance of the Private Sector Development (PSD) Programme during FY2024/25, the final year of implementation of the NDP III. It presents the Programme's financial performance, progress against key results, achievements under the five Programme objectives, and the emerging issues and priorities for the next planning cycle.

In terms of financial performance, during FY2024/25, the PSD Programme was allocated UGX 2,046.64 billion. By the end of the year, UGX 1,812.92 billion (89%) had been released and UGX 1,757.10 billion (86% of the approved budget) absorbed. Overall, 97% of the released resources were spent, signaling strong budget execution across Programme institutions.

As concerns physical performance during the reporting period, the Programme results were mixed across its four key results. The share of the informal sector in the economy increased to 54.75%, against the NDP III annual target of 45%. Non commercial lending to key growth sectors reached 4% of GDP, against the target of 3%. The value of public contracts awarded to local firms was 59.9%, against the target of 80%. Exports reached USD 13,190.6 million, way above the annual target of USD 7,356 million.

**Under objective 1 (Sustainably lower the cost of doing business),** Government continued to implement structured financing and market interventions to improve access to affordable credit and reduce the cost of lending. The share of domestic credit to key growth sectors improved to 35% in FY2024/25, surpassing the annual target of 33.8%. These outcomes were supported by government schemes and institutions, including PDM disbursements and utilization at the Parish level, implementation of interventions such as the Growth Opportunity and Productivity for Women Enterprises (GROW), Emyooga, the Agricultural Credit Facility (ACF) and the capitalisation of the Uganda Development Bank (UDB). The design and reach of these interventions have been intentional to enable access to finance by all i.e. MSMEs, youth, women, refugees, etc. as per the gender and equity principles to which the Government of Uganda subscribes.

**Under objective 2 (Strengthen organisational and institutional capacity of the private sector),** enterprise development initiatives contributed to improved access to Business Development Services (BDS), with 15% of firms accessing BDS against the FY2024/25 target of 20%. Private sector organisation also improved, with membership in chambers of commerce and trade unions reaching 2,500, against a target of 800, strengthening collective action and market coordination.

FY2024/25, PSD Programme was allocated

**UGX  
2,046.64 Bn**

**89%** Released

**97%** Spent of the released resources

Informal Sector share in the economy increased to

**54.75%**

**4%** ↑ Noncommercial lending to key growth sectors

**59.9%** Public contracts awarded to local firms

Firms accessing BDS against the FY2024/25 are

**20%**

Trade unions reaching

**2,500  
Members,**

against a target of 800

**98%**

of contracts being awarded to local contractors, attracted

**59%**

of the procurement value

**Under objective 3 (Promote local content in public programmes)** the Programme continued implementation of procurement policy management, including the reservation scheme and related initiatives to enhance participation of local firms in public procurement. These efforts resulted in 98% of contracts being awarded to local contractors, attracting 59% of the procurement value. This disproportionate achievement shows the low capacity of local content in terms of the quality and sustainability of their services and raises the debate about Uganda's readiness to competitively benefit from the regional and international markets. This underscores the need to intensify local supplier development, strengthen contract packaging and information disclosure, and improve monitoring of local content outcomes across sectors.

**5,703**

Products certified

**↑ 15.2%**

annual increase

**1,264,896.92 kg**

of noncompliant products seized

**Under objective 4 (Unlock investment in strategic economic sectors)** the Programme strengthened Government's role in crowding in private investment through strategic public investments and investment facilitation instruments. Private sector investments supported by Uganda Development Corporation (UDC) reached 18, against a target of 12, while private sector investments facilitated through Public-Private Partnership (PPP) arrangements also reached 18, against a target of 10.

Meanwhile, **under objective 5 (Strengthen the enabling environment and enforcement of standards)** performance was mixed across standards and enforcement, industrial infrastructure, private sector data and dispute resolution.

**348 Businesses**

in the industrial parks

**159,959 Jobs**

created, alongside capital investments valued at about

**\$ 4.183 bn****2,547 cases**

ADR handled, valued at

**UGX 929.8 bn**

Products certified increased from 4,951 to 5,703 (a 15.2% annual increase), exceeding the target of 10%. However, standards developed/enforced were 270, against a target of 600, and non compliant outlets inspected were 4,023, against a target of 9,000. Enforcement actions led to seizure of 1,264,896.92 kg of non compliant products.

Industrial parks recorded increased uptake, with businesses in industrial parks reaching 348 and creating 159,959 jobs, alongside capital investments valued at about USD 4.183 billion.

In terms of service delivery and accountability, the Programme continued to strengthen mechanisms for data and grievance resolution. The Alternative Dispute Resolution (ADR) Centre handled 2,547 cases, valued at

UGX 929.8 billion, contributing to a more predictable business environment and supporting investor confidence through dispute resolution.

As usual, the Programme experienced several challenges, including persistent informality, limited value to local firms in public programmes, capacity constraints in standards development and market surveillance, and gaps in private sector data completeness and utilisation.

Going forward, priorities will include strengthening business formalisation through incentives and simplifying compliance processes; scaling supplier development and strengthening enforcement and reporting of local content outcomes; investing in standards development, testing and market surveillance; and strengthening private sector data systems for evidence based decision making.



# 01

## INTRODUCTION

## 1.1 Background

The PSD Programme under the NDP III aimed at increasing the competitiveness of the private sector to drive sustainable inclusive growth. Through this Programme, Government has implemented interventions towards enhancing the capacity of the private sector to sustainably drive economic growth and the NDP III goal of increasing household incomes and improving the quality of life of Ugandans.

The objectives of the PSD Programme during the NDP III were focused on addressing the obstacles affecting private sector players, which include:

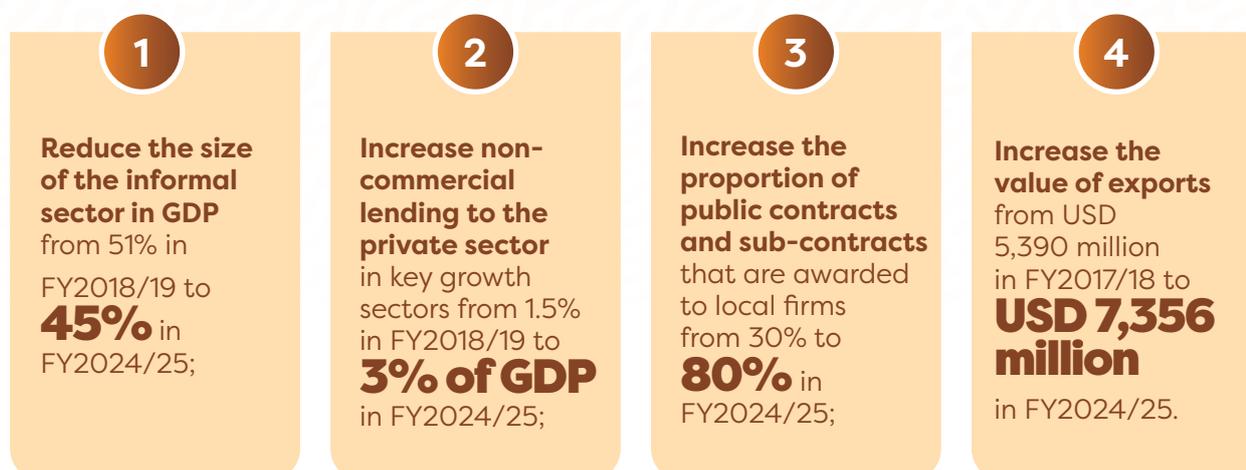
- The high cost of doing business;
- Limited organisational and institutional capacity;
- Absence of a strong and conducive supporting environment;
- Weak enforcement of standards and the proliferation of counterfeits in the market; and
- Inadequate strategic and sustainable government investments and partnerships with the private sector in key growth areas.

As one of its strategic objectives, therefore, the NDP III aimed at “strengthening the private sector capacity to drive growth and create jobs”. The Private Sector Development (PSD) Programme, together with the Manufacturing, Digital Transformation and Agro-industrialisation Programmes, majorly contributed to the achievement of this NDP III strategic objective. The PSD Programme consists of two broad sub-programmes:

- Enabling Environment for Private Sector Development; and
- Private Sector Institutional and Organisational Capacity.

## 1.2 PSD Programme Goal, Key Results and Objectives

The goal of the PSD Programme is to increase competitiveness of the private sector to drive sustainable inclusive growth. The key results targeted by the PSD Programme over the five years of the NDP III were to:



The specific objectives of the PSD Programme over the NDP III period are to:

- Sustainably lower the costs of doing business;
- Strengthen the organisational and institutional capacity of the private sector to drive growth;
- Promote local content in public programmes;
- Strengthen the role of Government in unlocking investment in strategic economic sectors; and
- Strengthen the enabling environment and enforcement of standards.

The achievement of the above objectives is to be measured through the outcomes illustrated in the table below.

**Table 1: PSD Programme outcomes by objective**

Objective	OUTCOMES
<b>Objective 1:</b> Sustainably lower the costs of doing business	1.1 Increased lending to key growth sectors
	1.2 Increased long-term financing to the private sector by government-owned financial institutions
	1.3 Increased financing through capital markets
	1.4 Increased value of formal financial sector savings for private sector investment
	1.5 Increased access and usage of non-financial resources (certification, ICT, warehouse information system etc.)
<b>Objective 2:</b> Strengthen the organisational and institutional capacity of the private sector to drive growth	2.1 Improved business capacity and local entrepreneurship skills enhanced
	2.2 Increased membership in chambers of commerce and trade unions
	2.3 Strengthened linkages to regional and global markets
	2.4 Increased automation of business processes
	2.5 Increased research and innovation within the private sector
	2.6 Increased access to and use of market information system by the private sector
	2.7 Increased access to and use of incubation centres by the private sector
	2.8 Simplified system for starting a business
<b>Objective 3:</b> Promote local content in public programmes	3.1 Increased participation of local firms in public investment programmes across sectors
<b>Objective 4:</b> Strengthen the role of Government in unlocking investment in strategic economic sectors	4.1 Regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas
	4.2 Increased use of research and innovation instruments by the private sector
<b>Objective 5:</b> Strengthen the enabling environment and enforcement of standards	5.1 Standards developed and/or enforced
	5.2 Increased accessibility to serviced industrial parks
	5.3 Increased accessibility to export processing zones
	5.4 Increased formalisation of businesses
	5.5 Improved availability of private sector data
	5.6 Adequate system for private sector complaints resolution in place

The PSD Programme is operationalised by a Programme Implementation Action Plan (PIAP) which provides details of the various sub-programmes, objectives, outcomes, intermediate outcomes, interventions, outputs, actions, estimated cost, and the results framework for the five years of the NDP III. The NDP III and PSD PIAP, therefore, have been the basis for, the development of the Programme Institutions' Strategic Plans, BFPs, Budget Estimates, and Performance Reports.

### 1.3 PSD Programme Institutions

Under the leadership of the Ministry of Finance, Planning and Economic Development, the PSD Programme brings together over 25 MDAs, CSOs and Development Partner institutions to deliver on the above results and interventions. The table below provides the PSD Programme-contributing MDAs over the NDP III period.

**Table 2: PSD Programme institutions**

No.	Votes	No.	Other members
1	Ministry of Finance, Planning and Economic Development	14	Uganda National Council for Science and Technology
2	Ministry of Trade, Industry and Cooperatives	15	Uganda Development Bank Limited
3	Ministry of East African Community	16	Uganda Development Corporation
4	National Planning Authority	17	Insurance Regulatory Authority
5	Uganda Registration Services Bureau	18	Private Sector Foundation Uganda
6	Uganda Investment Authority	19	Economic Policy Research Centre
7	Public Procurement & Disposal of Public Assets Authority	20	Uganda Industrial Research Institute
8	Uganda National Bureau of Standards	21	Enterprise Uganda
9	Uganda Free Zones and Exports Promotion Authority	22	Development Partner Representatives
10	Uganda Retirement Benefits Regulatory Authority	23	Civil Society Representatives
11	Selected Uganda High Commissions and Embassies	24	Civil Society Representatives
12	Capital Markets Authority	25	Local Governments
13	Bank of Uganda	26	

## 1.4 PSD Governance Structures

In the interest of harmonising implementation of the PSD Programme and the flow of information across all levels, the PSD Programme has three main structures, namely the Leadership Committee, the Programme Working Group (PWG), and Technical Working Groups.

### 1.4.1 PSD Programme Leadership Committee

The PSD Programme Leadership Committee (LC) consists of political leaders, i.e., Ministers and Board Chairpersons of the Programme MDAs. It is chaired by the Minister of Finance, Planning and Economic Development. The Committee exercises the oversight function over the programme implementation, enabling policy-level coordination and monitoring progress towards target programme outcomes.

The Committee is expected to ensure accountability for results by the PSD PWG as well as provide political and policy guidance and advocacy; review and act as a clearing house for PSD policies; and advocate for the approval of programme-based policies before Cabinet and Parliament.

### 1.4.2 PSD Programme Working Group (PWG)

The PSD PWG is the highest technical organ. It is chaired by the Permanent Secretary/Secretary to the Treasury (PS/ST), with membership drawn from Permanent Secretaries and heads of the PSD Programme MDAs, Development Partner groups, CSOs and the private sector.

The PWG is responsible for the preparation of Programme Implementation Action Plans (PIAPs), Programme Budget Framework Papers (PBFs), Semi-Annual and Annual Programme Performance Reports, and Policy Briefs/Recommendations, and issuing them to the Leadership Committee for approval.

### 1.4.3 Technical Working Groups (TWG)

Owing to the wide mandate under the PSD Programme and the large number of member institutions, two (2) TWGs were created in line with the two (2) sub-programmes, i.e., an enabling environment for private sector development; and private sector organisational and institutional capacity.

The TWGs are the think tanks and provide special platforms to consider, in a more comprehensive way, the thematic areas, and are responsible for planning, budgeting, reporting, technical analysis/discussions, as well as monitoring sub-programme implementation.



# 02

## PROGRAMME FINANCIAL AND KEY RESULTS PERFORMANCE

This section provides and discusses the PSD Programme financial and key results performance in FY2024/25.

## 2.1 Financial Performance

The table below provides details of the PSD Programme approved budget, funds released and spent by the various PSD Programme Votes and in total, by the end of FY2024/25.

**Table 3: PSD Programme budget performance, FY2024/25**

Vote	MDA	Billion Uganda Shillings			% of Budget Released	% of Budget Spent	% of Releases Spent
		Approved Budget	Released by End June	Spent by End June			
008	Ministry of Finance, Planning and Economic Development	1927.81	1710.28	1657.46	89%	86%	97%
015	Ministry of Trade, Industry and Cooperatives	2.44	2.73	2.69	112%	110%	98%
021	Ministry of East African Community	1.73	1.73	1.73	100%	100%	100%
108	National Planning Authority	0.25	0.25	0.25	100%	100%	100%
119	Uganda Registration Services Bureau	9.48	13.55	12.3	143%	130%	91%
136	Uganda Export Promotion Board	6.67	0	0	0%	0%	0%
138	Uganda Investment Authority	12.45	17.45	16.53	140%	133%	95%
153	Public Procurement & Disposal of Public Assets Authority	1.33	1.33	1.33	100%	100%	100%
154	Uganda National Bureau of Standards	50.9	57.9	56.28	114%	111%	97%
161	Uganda Free Zones Authority	7.17	0	0	0%	0%	0%
162	Uganda Microfinance Regulatory Authority	8.52	2.07	0	24%	0%	0%
163	Uganda Retirement Benefits Regulatory Authority	13.42	13.42	11.73	100%	87%	87%
506	Uganda High Commission in Tanzania	0.2	0.2	0.2	100%	100%	100%
510	Uganda Embassy in the Unites States	0.79	0.79	0.79	100%	100%	100%
515	Uganda Embassy in Japan, Tokyo	0.02	1.52	1.52	7600%	7600%	100%
523	Uganda Embassy in Germany, Berlin	0.09	0.09	0.08	100%	90%	90%
527	Uganda Embassy in South Sudan, Juba	0.15	0.15	0.15	100%	100%	100%
531	Uganda Embassy in Turkey, Ankara	0.21	0.21	0.12	100%	58%	58%
532	Uganda Embassy in Somalia	0.05	0.05	0.05	100%	100%	100%
607	Local Governments	2.97	2.97	2.97	100%	100%	100%
	<b>Total</b>	<b>2,046.64</b>	<b>1,824.82</b>	<b>1,764.31</b>	<b>89%</b>	<b>86%</b>	<b>97%</b>

Source: MoFPED.

The FY2024/25 approved budget for the PSD Programme was UGX 2.046.64 trillion, of which UGX 1.825 trillion (89.2%) was released. UGX 1.764 trillion was absorbed by implementing MDAs, representing 86.2% of the approved budget and 96.7% of the amount released.

The allocation to the Ministry of Finance, Planning and Economic Development (MoFPED) was 94% of the approved budget, and this was mainly driven by the Parish Development Model (UGX 1.059 trillion), *Emyooga* (UGX 100 billion), and capitalisation of the UDB (UGX 82.92 billion). These three items constituted 61% of the approved PSD Programme budget.

There were no funds released for the three PSD Programme Votes that were rationalised, i.e., Uganda Export Promotion Board (UEPB), Uganda Microfinance Regulatory Authority (UMRA), and Uganda Free Zones Authority (UFZA).

As shown in the financial performance table above, a number of MDAs that received budgets above the approved budget were justified by the approval of supplementary budgets. The UNBS received 114% of the approved budget to address the mismatch between the certification services paid for, yet the resources are channelled to the Consolidated Fund and services not provided.

The URSB's release performance of 143% was due to a supplementary budget worth UGX 4.505 billion to cater for a Disaster Recovery Site, support and maintenance of the Online Business Registration System (OBRS), data centre maintenance, cyber-security, mobile business clinics, door-to-door registration campaigns, and staff subscription to professional bodies and associations.

The UIA received supplementary funding to clear contractual obligations in the construction of the Namanve Industrial Park as well as covering the supervision costs of the owner's engineer, while the Ministry of Trade, Industry and Cooperatives (MTIC) received a supplementary budget of UGX 0.29 billion for the Export Led Growth Unit (ELEGU), formerly AGOA, to conduct market studies in South Africa and the United States of America.

The Uganda Embassy in Japan, Tokyo, received a supplementary budget of UGX 1.5 billion, of which UGX 0.415 billion was for rent and UGX 1.085 billion facilitated the Osaka Expo, 2025.

## 2.2 Key Results Performance

The reporting under this section focuses mainly on progress registered in achieving the PSD Programme key results. The table below provides the PSD Programme key results annual performance trend over the NDP III period.

**Table 4: PSD Programme performance against key results**

Key Result	Baseline	Actual in FY				FY2024/25	
	2017/18	2020/21	2021/22	2022/23	2023/24	Target	Actual
Size of the informal sector	51.6%	53.74%	53.42%	54.29%	54.41%	45.0%	54.75%
Non-commercial lending to the private sector in key growth sectors as percentage of GDP	1.5%		1.25%	1.2%	0.64%	3.0%	4.0%
Proportion of public contracts and sub-contracts that are awarded to local firms (value)	30%	76.4%	61%	48%	63%	80%	59.9%
Total value of exports (USD million)	5,487.1	6,760.8	5,628.8	7,330.8	10,025.7	7,018	13,190.6

**Informality:** During the NDP III period, the contribution of the informal sector to GDP increased steadily from UGX 79,698 billion in FY2020/21 to UGX 124,761 billion in FY2024/25. This represents a cumulative increase of over UGX 45 trillion, reflecting strong year-on-year growth in informal economic activity.

**Table 5: Informal sector contribution to GDP over the NDP III period**

Sector	2020/21		2021/22		2022/23		2023/24		2024/25	
	GDP	%								
Formal	68,613	46.26%	75,816	46.58%	83,654	45.71%	92,875	45.59%	103,114	45.25%
Informal	79,698	<b>53.74%</b>	86,934	<b>53.42%</b>	99,350	<b>54.29%</b>	110,832	<b>54.41%</b>	124,761	<b>54.75%</b>
<b>Total</b>	<b>148,311</b>	<b>100%</b>	<b>162,750</b>	<b>100%</b>	<b>183,004</b>	<b>100%</b>	<b>203,707</b>	<b>100%</b>	<b>227,875</b>	<b>100%</b>

Source: UBoS.

According to Table 5 above, the informal sector consistently contributed more than 53% of GDP throughout the period, rising from 53.74% in FY2020/21 to 54.75% in FY2024/25. In contrast, the formal sector's share declined from 46.26% to 45.25% over the same period. This indicates that informal sector growth outpaced that of the formal sector, leading to a gradual shift in the structure of the economy.

A published study by MoFPED and EPRC revealed that there are unique characteristics and structural features that have sustained informality. The assessment documented a number of characteristics and reasons why businesses and workers prefer to remain informal, which included both push and pull factors, including wrong perceptions about the processes and charges involved. It was observed that 45.82% of such businesses have operated for more than 6 years and, by classification, 56.9% of informal businesses are in trade, representing the largest engagements compared to agriculture, industry, hotels/restaurants, and services. Self-established informal businesses account for 91.1%, while the remaining ones are purchased or family-owned and are acquired from own savings (85.1%), while 8.1% use loan/credit facilities and 6.8% use other sources. They also exhibit greater concentration (71.1%) in urban areas.

In addition, there is a possibility that the design of the various wealth creation initiatives advanced by the Government might be entrenching informality deeper, hence the need for a detailed analysis of the reason for continued growth of informality.

**Non-commercial lending to the private sector in key growth sectors as percentage of GDP:** In the context of the NDP III, non-commercial lending refers to making credit available to borrowers at rates lower than the market/commercial rates; while the key growth sectors include agriculture,

manufacturing, mining (including oil and gas), infrastructure, tourism, human capital (education and health), and ICT.

Performance on non-commercial lending to key growth sectors improved sharply in FY2024/25: after low levels in earlier years (including 1.25% in FY2020/21, 1.2% in FY2021/22, and 0.64% in FY2022/23), the FY2024/25 actual reached 4% of GDP, exceeding the target of 3%. This points to progress in targeted or concessional financing flows to priority sectors such as the Parish Development Model (PDM) disbursements, Growth Opportunity for Women Entrepreneurs (GROW), capitalisation of the UDB, *Emyooga* etc.

**Proportion of public contracts and sub-contracts awarded to local firms:** The Programme continued implementation of procurement policy management, including the reservation scheme and related initiatives to enhance the participation of local firms in public procurement. The efforts during the NDP III maintained the percentage of public contracts and sub-contracts that are awarded to local firms by value, at an average of 62%, ranging from 48% to 76.4%, over the NDP III period.

During FY24/25, a total of 30,176 contracts were awarded. Of these, 29,521 went to local providers, representing 98% by number. However, the 2% by number awarded to foreign providers accounts for 41% of the total value of contracts awarded.

This disproportionate achievement shows the low capacity of local content in terms of the quality and sustainability of their services and raises the debate about Uganda's readiness to competitively benefit from the regional and international markets. This underscores the need to intensify local supplier development, strengthen contract packaging and information disclosure, and improve monitoring of local content outcomes across sectors.

**Total value of exports:** Uganda's total exports grew by 31.6%, from USD 10,025.7 million in FY2023/24 to USD 13,190.6 million in FY2024/25, well above the annual target of USD 7,018 million. Specifically, Uganda's merchandise exports grew by 36% to USD 10,635.5 million in FY2024/25, from USD 7,818.9 in FY2023/24, while the service exports grew by 15.78%, from USD 2,206.8 million in FY2023/24 to USD 2,555.1 million in FY2024/25.

Except for FY2021/22, which experienced a decline in total exports due to the effects of the Covid-19 pandemic, total exports grew year by year over the NDP III period, starting from USD 6,760.8m in FY2020/21 and peaking at USD13,190.6 million in FY2024/25. The table below provides the trend of total exports over the NDP III period.

**Table 6: Exports of goods and services over the NDP III period**

Exports	Baseline FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Merchandise Exports - FOB (USD millions)	3,531.3	5,278.7	3,836.6	5,396.2	7,818.9	10,635.5
Exports of Services (USD millions)	1,955.8	1,482.1	1,792.2	1,934.6	2,206.8	2,555.1
<b>Total Exports (USD millions)</b>	<b>5,487.1</b>	<b>6,760.8</b>	<b>5,628.8</b>	<b>7,330.8</b>	<b>10,025.7</b>	<b>13,190.6</b>

**Source:** BoU.

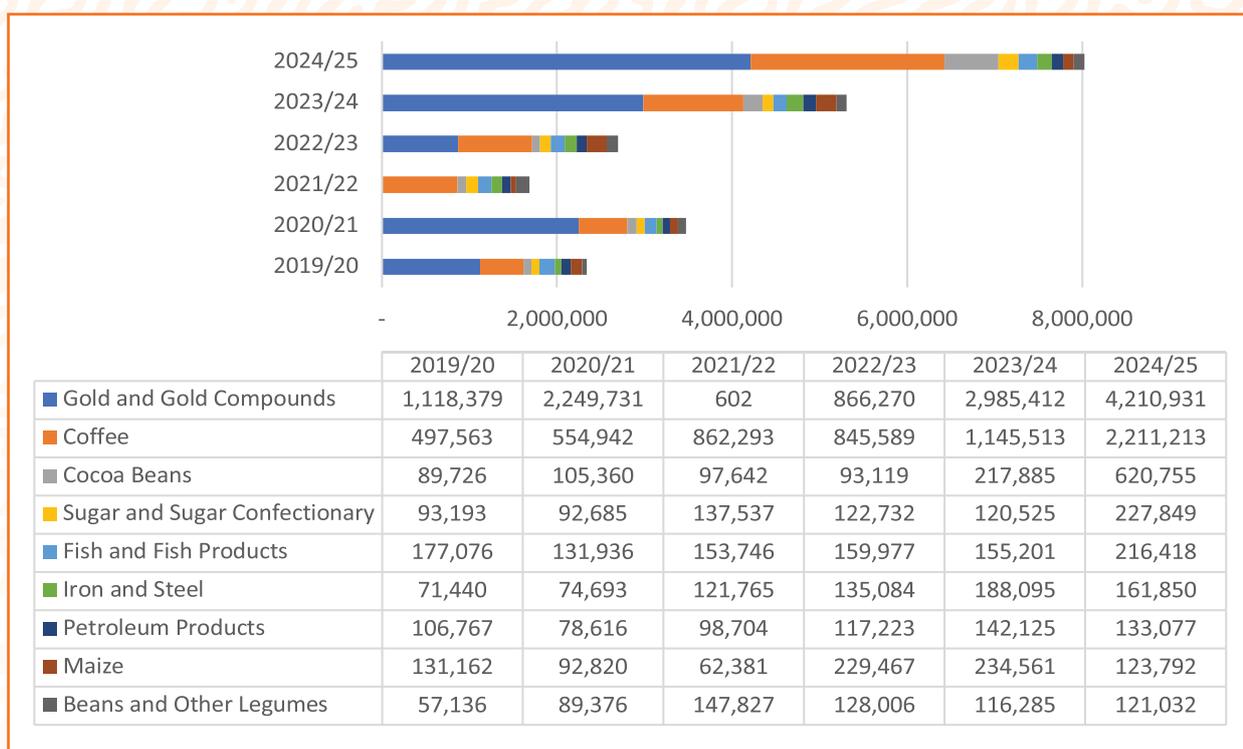
On average, merchandise exports constituted 76% of total exports over the NDP III period, and their share of the total exports has been increasing year by year, peaking at 81% in FY2024/25. As commodities, gold and gold components (39.1%) and coffee (20.6%), all together made the highest contribution (59.7%) of merchandise exports during FY2024/25. The other commodities with a significant contribution to merchandise exports in FY2024/25 included cocoa beans (5.8%), sugar and sugar confectionary (2.1%), fish and fish products (2.0%), iron and steel (1.5%), petroleum products (1.2%), maize (1.2%), and beans and other legumes (1.1%).

Going by SITC (Standard International Trade Classification), the top contributors to Uganda's merchandise exports during FY2024/25 are illustrated in the table below.

**Table 7: Percentage contribution of merchandise exports FY2024/25**

	Item	% Contribution
1.	Gold, non-monetary (excl. gold ores and concentrates)	39.12%
2.	Coffee, tea, cocoa, spices, and manufactures thereof	27.19%
3.	Vegetables and fruit	2.73%
4.	Non-metallic mineral manufactures	2.63%
5.	Cereals and cereal preparations	2.61%
6.	Sugars, sugar preparations and honey	2.14%
7.	Fish, crustaceans and molasses and preparations thereof	2.01%
8.	Iron and steel	1.80%
9.	Petroleum, petroleum products and related materials	1.32%
10.	Road vehicles (including air-cushion vehicles)	1.28%
11.	Beverages	1.27%
12.	Fixed vegetable fats and oils, crude, refined or fractionated	1.11%
13.	Dairy products and birds' eggs	1.05%

**Source:** BoU.



**Figure 1:** Top commodity contributors to Uganda's merchandise exports during the NDP III period: (BoU)

Whether by commodity or SITC, it is apparent that the top contributors to Uganda's merchandise exports mainly come from Agro-industrial Development and Minerals Development, which are the A and M in the ATMS as envisaged in Uganda's Tenfold Growth Strategy. This underscores the significance and relative importance of these commodities to Uganda's growth trajectory.

Conclusively, export earnings and non-commercial lending performed higher in comparison to other key result areas. The Programme did not deliver the intended reduction in informality and did not achieve the targeted level of local firm participation in public procurement by value. This points to the need for the next planning and implementation cycle to protect and consolidate what is working on exports and sector financing, while elevating a more deliberate package for:

- (i) Formalisation (simplifying registration and compliance, strengthening incentives to formalise, and addressing enforcement gaps) and
- (ii) Local content outcomes in procurement (supplier development, contract packaging, stronger compliance and reporting, and targeted support to increase local firms' capacity to bid and deliver at scale).



# 03

## PROGRAMME PERFORMANCE BY OBJECTIVE

### 3.1. Sustainably Lowering the Cost of Doing Business

The NDP III, NPA (June 2020), noted that the majority of MSMEs (74%) are constrained by access to and cost of finance. MSMEs' access to finance is limited by stringent financial requirements, particularly land collateral. This limits MSMEs' growth because they cannot acquire or absorb new technologies, nor can they expand to compete in global markets or even strike up business linkages with larger firms. Additionally, there are limited options for long-term financing, which forces enterprises to use short-term finance for long-term projects. The limited availability of long-term finance opportunities in Uganda is a result of three basic factors.

First, formal savings that could be translated into long-term investments are low, with limited long-term savings in the retirement benefits and insurance sectors. Second, underdeveloped capital markets provide equity and debt finance to only a small number of large firms. Third, development finance institutions lack the financial resources to expand their operations. This financing constraint affects local MSMEs more, since they cannot access finance on international markets. This is worsened by the public sector accumulation of domestic arrears owed to the private sector.

Over the years of the NDP III, lending rates have steadily declined, coming from 20.3% in FY2017/18 (base year) and hitting a record low of 17.9% in FY2023/24, and slightly rising to 18.2% in FY2024/25. Despite the steady decline, Uganda's lending rates remained high, comparing unfavourably to its comparators all through the NDP III period. As of June 2025, Kenya's and Tanzania's lending rates averaged 15.28% and 15%, respectively, compared to Uganda's 18.2%, as illustrated in the chart below.



**Figure 2:** Lending rates over the NDP III period

**Sources:** Bank of Uganda, Central Bank of Kenya, Bank of Tanzania

This objective, therefore, sought to address the gaps in cost and access to finance as observed above. Particularly, the objective intended to increase:

1. Lending to key growth sectors;
2. Long-term financing to the private sector by government-owned financial institutions;
3. Financing through capital markets;
4. The value of formal financial sector savings for private sector investment; and
5. Access to and usage of non-financial resources (certification, ICT, warehouse, Information system etc.).

The following section provides the performance against each of the above intended outcomes of sustainably lowering the cost of doing business.

### 3.1.1 Increased lending to key growth sectors

The NDP III results framework provides five indicators and corresponding targets for measuring performance on the increased lending to key growth sectors outcome. These include:

- (i) non-commercial lending to the private sector in the key growth sectors as a percentage of GDP;
- (ii) share of domestic credit to key growth sectors in total private sector credit;
- (iii) private sector credit as a percentage of GDP;
- (iv) SME borrowers as a percentage of total borrowers (Tiers 1–3); and
- (v) percentage of MSMEs with outstanding credit at a formal financial service provider. The table below provides the actual performance on these indicators over the NDP III period.

**Table 8: Actual performance of indicators for the increased lending to key growth sectors outcome**

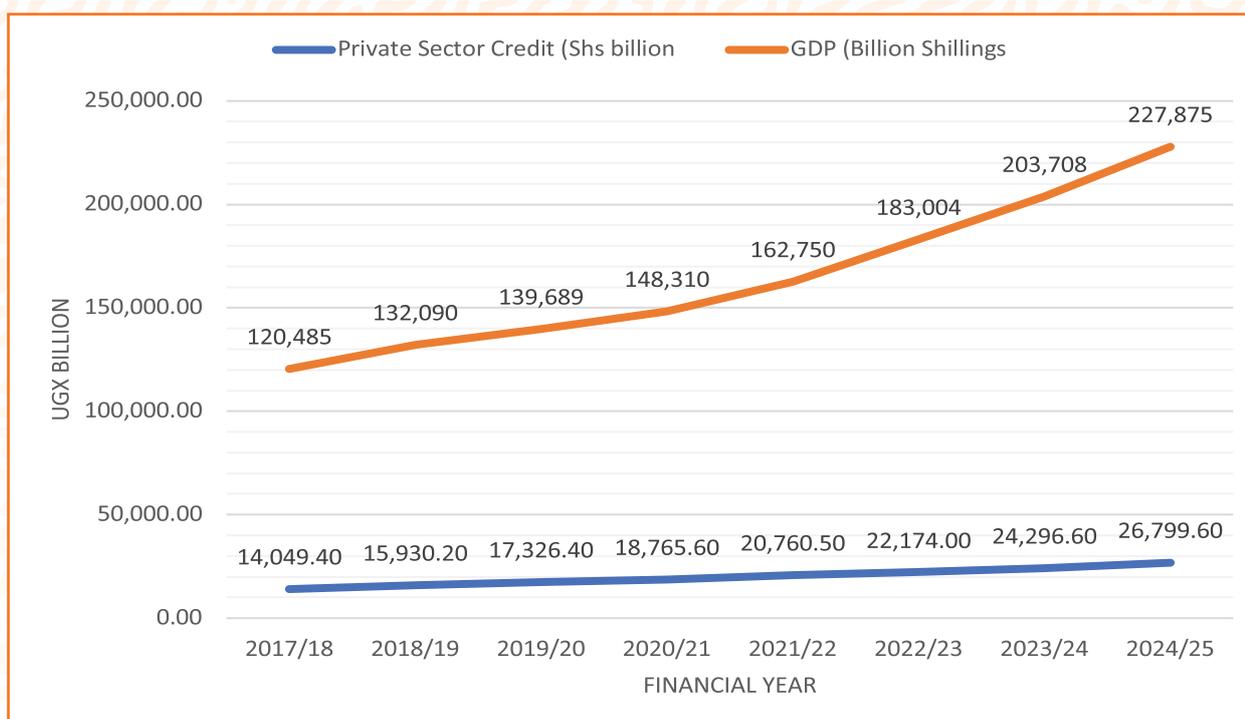
Indicator	Baseline	Actual in FY				FY2024/2025	
	2017/18	2020/21	2021/22	2022/23	2023/24	Target	Actual
Non-commercial lending to the private sector in the key growth sectors as a % of GDP	1.5%		1.25%	1.2%	0.64	3	4
Share of domestic credit to key growth sectors in total private sector credit	27.3				33.5	33.80	35
Private sector credit as a % of GDP	11.66	12.65	12.76	12.12	11.93	27.40	14
SME borrowers as a % of total borrowers (Tiers 1–3)	0.75 (2018)				2.10	3.10	7
% of MSMEs with outstanding credit at a formal financial service provider	9.7% – 10%				20	23	25

The **share of domestic credit to key growth sectors in total private sector credit** improved to 35% in FY2024/25 compared to the previous year's performance of 33.5%. This performance also surpassed the year's target of 33.8%. On the other hand, **private sector credit as a percentage of GDP** increased to 14 % in FY2024/25, from 11.93% registered in the previous year. The FY2024/25 performance was below the annual target of 27.4%.

In absolute terms, private sector credit registered positive annual growth all through the NDP III period. In the final year of the NDP III, private sector credit grew by 10.3%, from UGX 24,296.6 billion in FY2023/24 to UGX 26,799.6 billion in FY2024/25. The growth in private sector credit was aided by improved borrower quality, stronger economic activity, a stable exchange rate, and low inflation and structured government schemes such as the Agricultural Credit Facility (ACF) and Small Business Fund (SBF)<sup>1</sup>. The figure below illustrates the growth in private sector credit over the NDP III period.



<sup>1</sup> Integrated Annual Report for FY2024/25, June 2025.



**Figure 3: Growth in private sector credit over the NDP III period:**

**Source:** BoU and UBoS.

During FY2024/25, the biggest percentage of bank credit to the private sector was for personal loans and household loans (24.9%); building, mortgage, construction and real estate (18.84%); trade (15.29%); manufacturing (13.08%); and agriculture (11.67%), as illustrated in the table below.

**Table 9: Outstanding bank credit by sector (total lending in UGX bn)**

Sector	June 2024		June 2025		% Change
	Amount	% of total	Amount <sup>2</sup>	% of total	
Agriculture	2,516.01	11.49%	2,789.35	11.67%	10.9%
Mining and quarrying	96.87	0.44%	150.13	0.63%	55.0%
Manufacturing	2,872.07	13.11%	3,125.52	13.08%	8.8%
Trade	3,747.43	17.11%	3,653.86	15.29%	-2.5%
Transport and communication	1,288.26	5.88%	1,278.30	5.35%	-0.8%
Electricity and water	154.13	0.70%	65.79	0.28%	-57.3%
Building, mortgage, construction and real estate	4,357.06	19.89%	4,503.85	18.84%	3.4%
Business services	933.83	4.26%	1,604.61	6.71%	71.8%
Community, social & other services	673.12	3.07%	754.17	3.16%	12.0%
Personal loans and household loans	5,221.85	23.84%	5,954.31	24.91%	14.0%
Other services	45.20	0.21%	22.06	0.09%	-51.2%
	<b>21,905.82</b>		<b>23,901.94</b>		<b>9.1%</b>

**Source:** Bank of Uganda (BoU) Disseminated Indicators file, web-version.

The above results in respect to increased lending to key growth sectors are attributable to a number of interventions that the PSD programme through its institutions has been undertaking over time. The following section elucidates some of the key interventions and actions undertaken and achievements registered during the NDP III period and, specifically, in FY2024/25.

<sup>2</sup> Due to data availability limitations, this is based on only bank credit to the private sector, i.e., Tiers 1–3.

### 3.1.1.1 Short-term credit window

In a bid to increase access to affordable credit largely targeting MSMEs, the Programme established a short-term credit window through the Microfinance Support Centre (MSC), the financial inclusion pillar of the Parish Development Model (PDM) and the GROW and INVITE Projects. The following sections account for the actions and achievements registered under each of these interventions.

#### a) Actions and achievements by the Microfinance Support Centre (MSC)

During the year under review, the MSC continued to extend affordable credit, grant financing and capacity building to SACCOs and groups as a vehicle to provide access to microfinance for the active poor to grow their enterprises. The key actions and achievements are discussed below.

#### Affordable credit

1. A total of UGX 30 billion was disbursed to 544 client institutions, including SACCOs, groups, and cooperatives, at an interest rate of 8% p.a. The intermediate impact of this was that 122 SACCOs and groups were on average able to provide credit to individuals at an average interest rate of 8% p.a. A total of 350,155 individuals benefitted through these institutions, translating into tangible improvements for households. Seventy percent of the funds were invested in the agricultural sector, and smallholder farmers gained access to working capital for purchasing inputs such as seed, acquiring agro-machinery such as tractors, refrigerated trucks, and engaging in value-addition activities such as packaging, wine making etc.

The financing enhanced the incomes of households and strengthened the capacity of local enterprises to expand operations. The financial support not only stimulated the business growth of small businesses but also created over 675,098 jobs (formal and seasonal), including those maintained, as well as improving resilience in communities.

2. During the period, the MSC implemented one (1) new product (agro-machinery product) and developed two (2) new products (Katale loan and Boda-boda loan) which were piloted. The agro-machinery product has already enabled

the acquisition of machinery such as maize, rice, and coffee milling machines, food driers, and transport solutions, including cold chain trucks, bulk produce trucks, boats, and heavy-duty tractors. This has increased mobility in agriculture, reduced post-harvest losses, and facilitated local value addition, thus empowering smallholder farmers to increase production, process goods locally, and boost incomes. The new products clearly complement other exiting products, addressing emerging needs of communities. The Boda-boda and Katale loan products are still under pilot phase.

#### Grant financing (*Emyooga* Programme)

3. In FY2024/25, UGX 76.320 billion seed capital was accessed by 3,816 *Emyooga* SACCOs. A total of 1,001,955 beneficiaries were reached during the period, with 49% of them being female, 15% being youth and 4% being PWDs. These are the active borrowers who have accessed the loans at 8% interest rate per annum from their *Emyooga* associations. The *Emyooga* beneficiaries have invested in several business enterprises, including value-addition enterprises and, specifically, the Women *Emyooga* SACCOs have exhibited thriving enterprises in winemaking, artisan products, and coffee production.

The seed capital has served not only as a direct investment but also as a revolving fund, allowing SACCOs to reinvest repayments into new members and businesses, thereby multiplying the impact of the initial grants and sustaining continuous business growth. Beneficiaries are generating household incomes and, so far, 472,172 jobs (formal and informal) have been created and maintained, 58% being for women.

The MSC continuously monitors the use and repayment of funds to enforce the sustainability and fit-for-purpose use of the *Emyooga* funds. A total of 6,180 *Emyooga* SACCOs were monitored as at June 2025.

#### Building strong and resilient community financial institutions

4. A total of 9,619 client institutions (SACCOs, groups and cooperatives) were offered technical capacity and training. These trainings covered both structured

trainings, including Islamic finance principles, equipping membership with expert knowledge contributing to their operational capacity, improved governance, and sustainability. The trained institutions are now able to offer a wider range of financial solutions with better terms, for example, Endokwa loan and irrigation loan products catering to the specific needs of their members while ensuring adherence to regulatory and Shariah-compliant standards.

5. More specifically, a total of 7,440 *Emyooga* SACCOs and associations were trained in FY2024/25. The training areas included financial management, record management, credit and delinquency management, resource mobilisation, enterprise selection, product development, and financial literacy and value addition. The MSC undertook the training in partnership with the URSB, UNBS, and URA, among others. The trainings targeted board members, staff, and the entire membership, equipping them with the knowledge and skills needed to run their SACCOs efficiently and sustainably. During FY2024/25, 40,784 staff and board members and 171,326 members of the *Emyooga* SACCOs and associations were trained in total. The capacity-building initiatives have strengthened governance, improved accountability, participated in value addition, and enhanced strategic planning within the SACCOs, ensuring that members are better informed and engaged in decision-making processes. ***Emyooga SACCOs registered an increase in savings from 88.5 billion in 2023/24 to UGX 94.32 billion in 2024/25.***
6. In response to the high-level PSD Programme key result of reducing informality, the MSC has continuously contributed to the formalisation of institutions (SACCOs, groups and cooperatives) as well as members' enterprises. During the period, the MSC supported 1,476 SACCOs to renew their registration, obtaining both permanent and probation registration certificates from the Registrar of Cooperatives. The number of *Emyooga* SACCOs that conducted their audits was 3,824, and 2,650 *Emyooga* SACCOs held Annual General Meetings (AGMs), ensuring compliance with regulatory requirements. The MSC, in partnership with the UNBS, URSB and URA, supported 184 *Emyooga* SACCOs involved in value addition. The enterprises supported mainly include beverage manufacturing, carpentry and joinery, cosmetics and personal care, crafts, detergents, dairy production, education materials and equipment, food manufacturing, food processing and packaging, metal fabrication and manufacturing, paper and paper products, renewable energy, textiles, and leather.
7. Through mobilisation efforts and capacity building, total membership of the client institutions (SACCOs, groups and cooperatives) registered during FY2024/25 was 6,378,317, of whom 2,613,394 were women, 3,764,923 were men and 804,923 were youth, while 40,156 were PWDs. The growing membership (especially vulnerable groups) within institutions reflects the MSC's commitment to promoting financial inclusion and equitable access to resources across all segments of communities. The Programme has since noted several women and youth seizing opportunities to participate in income-generating activities, start businesses, and access financial services that empower them economically. Increasing membership also affirms enhanced community participation on government programmes, promoting social inclusion, and sustained activities at the grass roots.
8. During the year under review, 103 weak SACCOs received support through a tailored strategy aimed at boosting their compliance with regulatory requirements, functionality and sustainability. The approach involved reorienting members and leaders on cooperative values and providing specialised training in governance, credit management, bookkeeping, and AGMs. This was also mainly done through peer-to-peer learning (where weak SACCOs visited strong SACCOs) across regions for hands-on experience.

**Pictorial: MSC support to formalisation efforts in partnership with UNBS, URSB and URA**



*URSB Officer training Emyooga SACCOs in value addition from Mbale, Jinja and Soroti.*



*UNBS Officer training Emyooga SACCOs in value addition in partnership with MSC.*



*Joint training with URA and UNBS for Emyooga SACCOs in Central Region.*



*Joint training with URA, URSB and UNBS for Emyooga SACCOs in Lira District.*



*Showcasing products from various Emyooga SACCOs.*



*Showcasing products from various Emyooga SACCOs.*

**Pictorial: MSC financing to sustainable agriculture**



*A tractor for SAO-Zirobwe SACCO accessed through MSC Islamic financing agro-machinery product.*



*A tractor for Arumundo Mixed Farm accessed through MSC Islamic financing agro-machinery product.*



*Tukwatanize Group from Kanara, Ntoroko District, receiving fishing boats and equipment.*



*Solar plant, Rwoburungo Dairies in Gomba District.*

**b) Actions and achievements by the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project**

The GROW Project was declared effective on 20th January 2023, after fulfilling the effectiveness conditions, and is expected to close on 31st December 2027. The GROW Project is financed by a grant of USD 217 million from the World Bank to the Government of Uganda.

The Project is aligned to the NDP III objective of “reducing gender inequality and promoting women’s economic empowerment, leadership and participation in decision making through investment in entrepreneurship programmes”, as well as the PSD Programme objective of “sustainably lowering the cost of doing business”.

The GROW Project is implemented by the Ministry of Gender, Labour and Social Development (MGLSD) as the lead implementer in collaboration with the Private Sector Foundation Uganda (PSFU) as an implementing entity on behalf of the Ministry of Finance, Planning and Economic Development (MoFPED).

So far, the PSD Programme has registered the following achievements under the GROW Project:

1. Six (6) Participating Financial Institutions (PFIs) are offering the GROW Loan, including Centenary Bank, DFCU, Equity Bank, Finance Trust Bank, Post Bank and Stanbic Bank.
2. The amount of funds approved by the Government of Uganda for disbursement to the six PFIs is UGX 120 billion for a two-year participating agreement, targeting to reach 4,007 borrowers in the first year, including 458 refugees and women borrowers in Refugee-Hosting Districts (RHDs). The cumulative amount of the approved GROW loans within the three funding levels is **UGX 73,334,593,450** in FY2024/25.
3. The cumulative number of GROW loans disbursed is **2,958** across the three funding levels, against a target of 4,025, registering a 73.5% performance. **2,120 (71.7%)** of the total loans disbursed are in Level 1 (UGX 4 million – UGX 20 million) against a target of 2,346, registering a 90.4% performance. **Four hundred forty-one (14.9%)** of the loans disbursed are in level 2 (20+ to 40 million), against a target of 1,231, registering a 35.8% performance. **Three hundred ninety-seven (13.4%)** of the loans disbursed are in level 3 (40+ to 200 million), against a target of 448, registering a 88.6% performance.
4. The cumulative number of loans disbursed by PFIs are 1,097 by Centenary Bank, 219 by DFCU, 167 by Equity Bank, 753 by Finance Trust Bank, 709 by Post Bank, and 13 by Stanbic Bank. Ninety-eight percent of the GROW loan borrowers are **individual women** entrepreneurs and 28% are new borrowers. The GROW loan borrowers are spread in 113 districts and 8 cities. By sector, the disbursed GROW loans cover trade and commerce (42.2%), agriculture and agribusiness (27.9%), and construction and engineering (9.2%). The highest loan amount was in trade and commerce (39.5%), followed by agriculture (22.2%).
5. The majority (over 55%) of the GROW Loan borrowers are aged 31–55 years; less than 5% are aged 18–30. Fifty-five percent of the women borrowers are married. One hundred fifty-nine women

in RHDs accessed the GROW loans covering Kamwenge (85), Koboko (35), Kiryandongo (12), Lamwo (8), Adjumani (8), Isingiro (6), Yumbe (2), Kikuube (2) and Kyegegwa (1). These were served by Centenary Bank (57), DFCU Bank (1), Equity Bank (1), Finance Trust Bank (44), and Post Bank (56).

6. **Nine PWDs** accessed GROW loans from Finance Trust Bank (2), Centenary Bank (6) and Post Bank (1). The highest amount lent to a PWD is UGX 10 million issued to three borrowers each in Centenary Bank; while eight women from the minority communities (Benet women) have accessed GROW loans from Post Bank. This represents 0.4% of the GROW loan borrowers.

#### c) **Actions and achievements under the Investment for Industrial Transformation and Employment (INVITE) Project**

The INVITE Project is funded by the World Bank - International Development Association (IDA) and MDTF Partners (Sweden, UK, and the Netherlands) to the tune of USD 218 million, comprising USD 96 million IDA credit, USD 104 IDA grant, and USD 18 million Multi-Donor Trust Fund (MDTF). The Project became effective on 13th November 2023 and is expected to run until 31st January 2027, with disbursements expected to close on 31st May 2027.

In partnership with the PSD Programme member institutions, among others, the project is expected to generate 200,000 new jobs; loans to over 200,000 MSMEs; 42,000 receivables from approximately 2,800 suppliers; 1,000 credit guarantees across a total new loan portfolio of USD 84.8 million; a subordinated loans target leverage of new private investment of USD 231.4 million etc.

During FY2024/25, the INVITE Project attained all its withdrawing conditions as provided for under the Financing Agreement between the Republic of Uganda (the 'Recipient') and the International Development Association (the 'Association'). The World Bank thus lifted the disbursement conditions on 19th June 2025 and, accordingly, USD 46.9 million was disbursed on 30th June 2025. Following the attainment of the withdrawing conditions and corresponding disbursement, full implementation of the INVITE Project interventions will take root in FY2025/26.

#### d) **Actions and achievements by the financial inclusion pillar of the Parish Development Model (PDM)**

In March 2021, Cabinet approved the Parish Development Model (PDM) as the main vehicle for reducing poverty, enhancing employment and wealth creation, beginning with FY2021/22. The PDM is a multi-sectoral strategy to create socio-economic transformation by moving 39% of households from the subsistence economy into the money economy, using the parish/ward as the nerve centre for development. It emphasises the “whole-of-Government” approach in ensuring increased production, processing and marketing, infrastructure and service delivery at the community level. The PDM is a vehicle that brings together state and non-state actors to achieve inclusive socio-economic transformation, in a coordinated, collaborative and participatory/interactive manner, at the parish level as the lowest economic planning unit.

The goal of the PDM is to increase household incomes and improve the quality of life of Ugandans, with a specific focus on the total transformation of the subsistence households (both on-farm and off-farm, in both rural and urban settings) into the money economy, as well as the eradication of poverty and vulnerability in Uganda. The PDM is organised under 7 pillars that are interrelated, i.e.:

1. Agricultural value-chain development (production, processing and marketing);
2. Infrastructure and economic services;
3. Financial inclusion;
4. Social services;
5. Community mobilisation and mindset change;
6. The parish-based Management Information System (PBMIS); and
7. Governance and administration.

The financial inclusion pillar, which is the entry point for the PSD Programme, focuses on reducing financial exclusion by addressing barriers to access to financial services by the households; and deepening and broadening formal savings, investment and insurance usage. The key activities planned under the financial inclusion pillar include community organisation into enterprise groups and PDM SACCOs; Business Development Services (BDS) and financial literacy; the PDM Integrated Financial Management Information and Payment System (PDM IFMS); savings and credit; agriculture insurance; and market linkages through e-marketplace matchmaking and off-taker market placement.

**The Parish Revolving Fund (PRF)** follows a grass-roots approach in which subsistence households at the parish level are mobilised into enterprise groups and supported by the PRF to develop and implement viable community-led income-generating activities for eventual self-reliance. Households that are members of an enterprise group are supported to open savings in the PDM SACCO, also supported under the PRF.

Through the PDM, the Government of Uganda (GoU) has made significant financial commitments to support agricultural and livestock value chains across the country, and has registered the following achievements:

1. By the end of FY2024/25, UGX 3.26 trillion had been cumulatively transferred directly to 10,589 PDM SACCOs at the parish level. The capital injections are providing critical liquidity for SACCOs to extend timely and affordable credit to their members, catalysing local economic transformation. The pillar has standardised PRF capitalisations to January and June of each financial year, thus allowing enhanced planning certainty for SACCOs and beneficiaries alike. SACCOs are now able to schedule loan cycles, to align with seasonal agricultural calendars, particularly planting and harvesting periods, thus optimising loan impact on – agro-enterprise productivity.
2. It has strengthened SACCO capacity and improved recovery mechanisms: Coupled with capitalisation, robust technical support and digital oversight through platforms like PDMIS, Wendi and Zaidi, Government has significantly improved SACCO governance, financial management, and loan recovery systems. SACCOs are now better equipped to manage revolving funds, enforce repayment discipline, and maintain credit sustainability, with many reporting improved portfolio health and higher recovery rates.
3. By the end of the FY2024/25, the cumulative disbursement to beneficiaries stood at UGX 2.750 trillion, representing a disbursement rate of 84.32%, which reflects a high utilisation of the capitalised funds. The total number of beneficiaries was 2,792,330, with 53.5% being females. The tables below illustrate the annual, cumulative as well as regional distribution of the capitalisation and disbursements of the Parish Revolving Fund (PRF).

**Table 10: Annual PRF SACCO capitalisation and cumulative disbursement**

Financial Year	Amount Capitalised (UGX – Billion)
2021/22	95.06
2022/23	1,049.00
2023/24	1,058.90
2024/25	1,058.90
<b>Total Capitalisation</b>	<b>3,262.07</b>
<b>Cumulative Disbursement</b>	<b>2,750.29</b>
<b>% Disbursed</b>	<b>84.32%</b>

Source: MoFPED.

**Table 11: Regional distribution of the Parish Revolving Fund so far capitalised**

#	Sub-Region	Total Capitalisation (UGX – Billion)	Cumulative Disbursement to Date (UGX – Billion)	Percentage Disbursement
1	KCCA	29.30	27.23	92.93%
2	Acholi	192.58	167.58	87.02%
3	Lango	189.49	164.88	87.01%
4	Bunyoro	168.93	146.59	86.77%
5	Kigezi	131.46	112.83	85.83%
6	Ankole	268.61	230.23	85.71%
7	Bukedi	192.14	164.09	85.40%
8	Teso	262.31	223.64	85.26%
9	Busoga	248.90	212.03	85.19%
10	West Nile	254.45	216.23	84.98%
11	Greater Luwero & Wakiso	118.93	100.05	84.13%
12	Greater Mukono	83.82	70.07	83.59%
13	Masaka Victoria	127.61	106.64	83.57%
14	Elgon/Bugisu	298.84	249.03	83.33%
15	Greater Mpigi & Mubende	180.02	146.57	81.42%
16	Rwenzori/Tooro	272.39	221.65	81.37%
17	Sebei	90.81	71.87	79.14%
18	Karamoja	151.17	119.11	78.79%
	<b>Grand Total</b>	<b>3,261.76</b>	<b>2,750.29</b>	<b>84.32%</b>

Source: MoFPED.

4. To deeply entrench the model for sustainability, Practical Training Centres (PTCs) and Community-Based Facilitators (CBFs) have been established as institutional support systems. The stabilisation phase prioritised capacity building for the beneficiaries to decrease enterprise mortality through the rollout of PTCs and CBFs. PTCs are established as dedicated skilling hubs at parish level, offering tailored training to empower households and youth with the practical knowledge, mindset, and technical capacity to succeed in selected agro-enterprises. There are currently 1,606 PTCs and 2,381 CBFs established in the pilot Local Governments (LGs). In most districts, the number of CBFs is roughly double the number of PTCs, except in a few areas where they are equal. The PTC and CBF models are embedding skills, enhancing enterprise competitiveness and innovation, ensuring that household enterprises are productive, financially viable, and self-sustaining well into the future.
5. On the PRF repayments, 1,309 individual beneficiaries from 707 PDM SACCOs across 129 LGs have collectively repaid UGX 309.054 million through the Wendi platform.

#### e) **Actions and achievements by the Small Business Recovery Fund (SBRF)**

The Small Business Recovery Fund (SBRF) was launched in November 2021 as a stimulus package to support financially distressed small businesses that had been affected by the lockdown measures enforced to control the spread of the COVID-19 pandemic.

The scheme operates as a Public-Private Partnership (PPP) between the Government of Uganda (GoU) and Supervised Financial Institutions (SFIs). These SFIs, collectively known as Participating Financial Institutions (PFIs), include commercial banks, Micro-Deposit-Taking Institutions (MDIs) and Credit Institutions (CIs). A Memorandum of Agreement (MoA) governs the scheme's operations, with the Bank of Uganda (BoU) performing the role of Fund Administrator. The following achievements were registered under the SBRF during the financial year ended 30th June 2025.

1. The number of applications from PFIs increased from 3,086 in 30th June 2024 to 3,640, in June 2025, indicating an 18% increase in the number of applications submitted by the PFIs. Loan approvals increased by 104%, going by the value of applications approved. This, in turn, resulted in a 115% increase in the value of applications disbursed, thereby increasing the SBRF loan book by UGX 15.84 billion. The increase in the uptake of this fund is attributed to the automation of loan application and approval processes which improved the turnaround time for loan processing and refinancing to the PFIs.



#### **Enterprises financed as an intermediate result**

2. A total of UGX 29.59 billion in refinance claims from PFIs were approved and disbursed by the BoU in support of 2,994 small businesses across the country. Most of the funds were accessed by micro-enterprises under block allocation (loan amounts not exceeding UGX 20 million), which accounted for 77.4% of funded projects and with total loan disbursements amounting to UGX 21.18 billion. Small enterprises, defined as those accessing loans between UGX 20 million and UGX 50 million, utilised UGX 16.77 billion, representing 15.2% of beneficiaries, while medium enterprises accounted for 7.3% of the beneficiaries, utilizing UGX 21.23 billion of the refinanced claims. The 77.4% composition of micro-enterprise beneficiaries aligns with the SBRF-MoA objective of reaching this category of enterprises.

#### **f) Actions and achievements under the Agricultural Credit Facility (ACF)**

The Agricultural Credit Facility (ACF) was setup up by the Government of Uganda (GoU) in 2009 to commercialise agriculture through provision of medium and long-term financing for projects engaged in agriculture, agro processing, modernisation and mechanisation. By leveraging private sector credit through its risk-sharing arrangement with the PFIs, the ACF has provided financing to private sector investments and projects engaged in primary agricultural production, agro-processing and value addition to raw agricultural outputs, post-harvest management, the grain trade, as well as supporting mechanisation.

This, in turn, has resulted in increased capacity for job creation, improvement in household incomes, and boosting export promotion. Agriculture modernisation aims at promoting improved technologies in agriculture and better farming practices that are more efficient and productive, which result in increased food supply and raising farmer incomes.

1. As at 30th June 2025, the BoU had received a cumulative total of 15,346 loan applications from 24 PFIs, representing a total loan value of UGX 1.85 trillion. Of these applications, 7,666 (50% by number) progressed to disbursement, with a total value of UGX 1.234 trillion (67% by value), including a GoU contribution of UGX 622.62 billion. The remaining UGX 613.72 billion in undisbursed loan applications comprises commitments awaiting additional information and pipeline applications still under review.
2. The distribution of applications received and beneficiaries among leading PFIs showed significant variation in market penetration. Opportunity Bank Uganda Limited had the highest number of applications received and beneficiaries, primarily because of its concentration in serving smallholder farmers, most of whom are under the block allocation arrangement.

3. On the other hand, owing to the small loan amounts (typically below UGX 20 million) required by these MSMEs, the total disbursement of UGX 27.38 billion by Opportunity Bank Uganda Limited is not directly proportional to the high number of beneficiaries. For Post Bank, Equity Bank, DFCU and Centenary Bank, the number of beneficiaries is directly proportional to the total disbursements by each bank due to the balanced distribution in their lending to both smallholder farmers and the large-scale off-takers and agro-processors.

The high values in total disbursements for Stanbic Bank, Absa Bank and Bank of Baroda, of UGX 330.499 billion, UGX 115.22 billion and UGX 84.77 billion, respectively, are explained by their focus on medium and large-scale borrowers (mostly large-scale grain traders and agro-processors) who require large funding.

#### g) Actions and achievements by the Large-Scale Commercial Farmers Loan Facility

Under the intervention of capitalising and strengthening government-owned commercial banks, the Government of Uganda, through MoFPED and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), signed a Memorandum of Understanding (MoU) in FY2024/25 with government-owned banks, Uganda National Farmers Federation (UNFF) and the Grain Council Uganda (TGPU) to establish a financing mechanism to support private large-scale commercial farmers to boost food and animal feed security (maize, beans, soya beans, sorghum and hay) in the country in the short, medium and long-term. Unlike the Agriculture Credit Facility (ACF), Government will directly capitalise its financial institutions without any recourse to Bank of Uganda.

UGX 500 billion was made available under this facility during the FY2024/25 and its utilisation will be reported on in the subsequent financial year.

#### h) Actions and achievements by the Uganda Microfinance Regulatory Authority (UMRA)

▶ **1,607 Tier 4**  
Institutions licensed  
**2,657 Registered**  
Institutions sensitised

▶ **15,346 loan**  
applications from  
**24 PFIs**, a total loan value of  
**UGX 1.85 Trn**

UMRA supports the intervention of setting up a short-term credit window for MSMEs by ensuring that the Tier 4 financial institutions are regulated for the safety of the market. To this effect, UMRA undertook various actions and achieved the following:

- 1,607 Tier 4 institutions were licensed after fulfilling the licensing requirements (1180 moneylenders, 215 Non-Deposit-Taking Institutions, and 212 SACCOs);
- 2,657 registered institutions were sensitised on compliance regulations. This was intended to identify illegal operators and those licensed who contravene the law;
- An MIS system for the Tier 4 sector: The licensing and management system was upgraded with a self-help groups module for registration and reporting, a digital loan shop for pricing transparency, a complaints handling grievance module and a regulatory reporting module for statutory reporting.

The transition of UMRA into the Microfinance Regulation Department due to the Rationalisation of Government Agencies and Public Expenditure (RAPEX) Reform deterred some institutions from applying for licences, leading to a negative trend.

The policy and regulatory environment that supported the above interventions and actions, among others, include:

- The Cooperatives Act under the Ministry of Trade and Cooperatives, which supports the registration of SACCOs as formal entities;
- The standards regulation for Emyooga SACCO products under UNBS;
- The National Financial Inclusion Strategy which guided the MSC activities in financial inclusion and reporting on financial inclusion; and
- The Tier IV microfinance institutions and moneylenders regulations which also support formalisation of MFIs.

### 3.1.2 Increased long-term financing to the private sector by Government-owned financial institutions

As earlier noted, the limited availability of long-term finance opportunities in Uganda is partly attributed to the fact that development finance institutions lack financial resources to expand their operations. It is on this basis that the NDP III sought to increase

long-term financing to the private sector by government-owned financial institutions. The table below provides the actual performance of the various indicators measuring this outcome over the NDP III period.

**Table 12: Actual performance against targets for increased long-term financing to the private sector by government-owned financial institutions**

Indicator	Baseline	Actual in Financial Year				FY2024/2025	
	FY2017/18	2020/21	2021/22	2022/23	2023/24	Target	Actual
Total value of outstanding long-term loans (maturity above 5 years) at DFI (UGX billions)	556.65	555.0	472.6	689.0	862.4	998	1000
Total value of private equity investments by government-owned financial institutions (UDB) – UGX billions	0.225 (2018)	0.25	0.25	5.6	10.2	0.38	16 <sup>3</sup>

**Source:** NPA NDR 2024/25.

The total value of outstanding long-term loans (maturity above 5 years) at DFI was UGX 1,000 billion as at 30 June 2025, up from the previous year's performance of UGX 862.4 billion, and above the annual target of UGX 998 billion. On the other hand, the total value of private equity investments by government-owned financial institutions (specifically UDB) increased to UGX16 Bn by the end of the calendar year 2024, compared to UGX10.2 Bn recorded at the end of the calendar year 2023.

The performance above is attributed to the following interventions and actions undertaken by the various PSD Programme MDAs:

1. The UDB is mandated with financing projects that are commercially and technically feasible, economically viable, and socially desirable. The bank's lending rate is 12–14%, which, while lower than commercial banks, is higher than other regional development banks such as Tanzania's TIB Development Bank, where rates range from 4% to 5%.
2. The Government of Uganda continued to support the bank's capital base with additional capital contributions totalling UGX 80.7 billion in 2024, bringing the cumulative capitalisation to UGX 1,512

billion, up from UGX 1,373 billion in 2023. This capital enhancement remains central to the bank's ability to scale up development financing, especially to priority sectors such as SMEs, industry, agriculture, services, and infrastructure.

#### 3. Tax contribution

Driven by improved output and profitability among Bank-financed enterprises, their contribution to government tax revenue rose by 34.7%, increasing from UGX 236.1 billion in 2023 to UGX 318.1 billion in 2024. This performance highlights the Bank's critical role in nurturing fiscally productive businesses that buttress Uganda's domestic revenue mobilisation efforts.

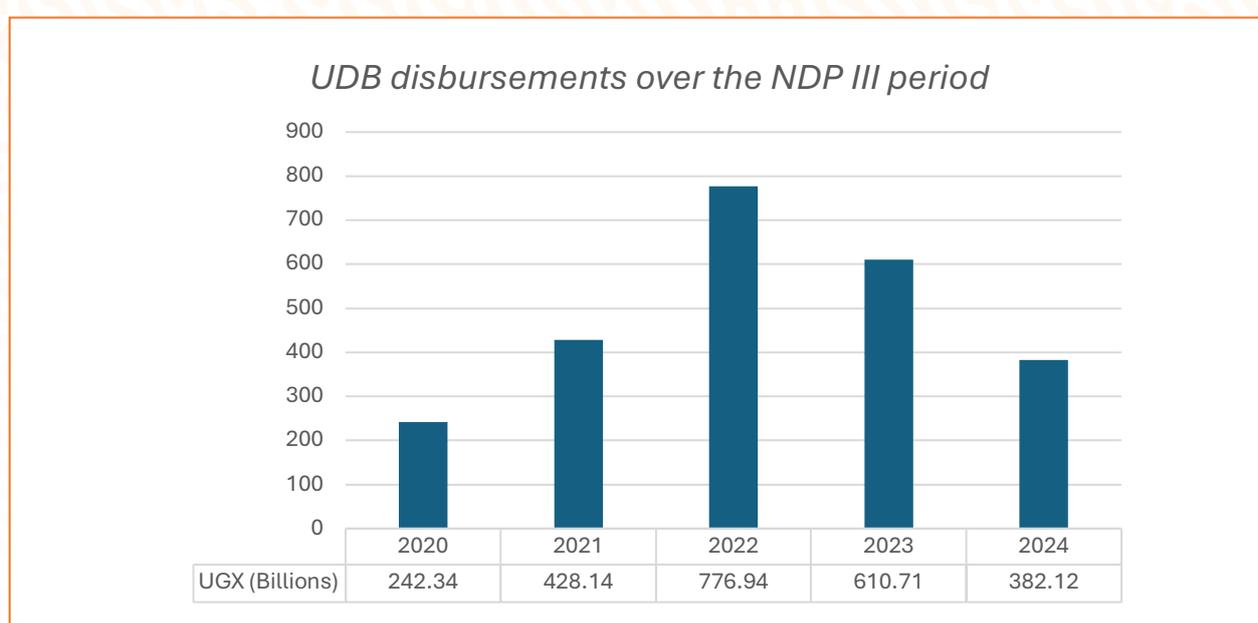
#### 4. Stimulating private sector growth

In 2024, the bank approved UGX 455.2 billion in new loans to over 170 enterprises across 67 districts nationwide. Upon full implementation, these projects are expected to deliver a range of development outcomes, including the creation of 17,832 new jobs, UGX 9,3847 billion in additional output, UGX 1,808 billion in foreign exchange earnings, UGX 1,778 billion in profits, and UGX 455 billion in tax contributions to the Government. During the period under review, the bank disbursed UGX 388.7 billion in new

<sup>3</sup> UDB's data is provided on a calendar year basis.

funding to projects across the country. Cumulatively, the bank supported 770 active projects spanning 103 districts.

5. The industrial sector continued to dominate the UDB's portfolio, accounting for 50% of its total investments. Of the UGX 822 billion allocated to industrial activities, 46.8% is directed towards agro-industrialisation, 50% towards manufacturing, and 3.2% towards mineral-based industries, reflecting the bank's strategic focus on value addition and industrial transformation.
6. While the bank's loans portfolio in the period between 2020 and 2024 varied between UGX 242.34 and 776.94 billion, government capitalisation ranged between UGX 80 and 100 billion, implying that the majority of the funds loaned out are mobilised through borrowing from Development Partners. If this ratio is not improved, the interest payments by the bank will have to be passed on to borrowers if the bank is to remain profitable. This is counterproductive to the Private Sector Development Programme objective of lowering the cost of credit to the private sector.



**Figure 4:** UDB disbursements (UGX) over the NDP III period

The relatively high disbursements in the years 2022, 2023 and 2024 correspond with the economic recovery efforts that Government prioritised to support enterprises after the effects of the Covid-19 lockdown.

### 3.1.3 Increased financing through capital markets

The Private Sector Development Programme highlights alternative financing sources for private investment as one of the interventions for reducing the focus on commercial borrowing as a source of capital for businesses. Financing through capital markets was envisaged as an opportunity for ready businesses to tap into the savings under the Capital Markets Authority

(CMA) regulations. The table below provides the performance of indicators tracking increased financing through capital markets.

**Table 13: Actual performance of indicators for increased financing through capital markets**

PSD Programme Outcome Indicator	Actual Performance in Financial Year					FY2024/2025	
	BASELINE 2017/18	2020/21	2021/22	2022/23	2023/24	TARGET	ACTUAL
Domestic market capitalisation to GDP	4.45 (2018)	4.5%	6.5%	5.1%	5.4%	5.1%	9.1%
Domestic market capitalisation due to new listings (UGX trillion)	4.78	4.3	4.7	6.5	0.48	5.8	0
CIS assets under management (in UGX trillion)	0.133	0.57	1.15	1.78	2.8	1.2	3.1

**Source:** Capital Markets Authority Annual Reports/ NPA NDR 2024/25.

Domestic market capitalisation reached UGX 13.9 trillion by the end of the FY2024/25, equivalent to 9.1% of GDP. The FY2024/25 performance surpassed the annual target of 5.1% and the previous year's performance of 5.4%, and extends the upturn that began in late 2023. The improved performance points to a gradually deepening footprint of the equity market in the real economy.

During FY2024/25 there was no new listing, hence the nil domestic market capitalisation due to new listings. The last listing the market had was in December 2023 from Airtel Uganda.

Collective Investment Scheme (CIS) assets under management demonstrated steady growth during the NDP III period, growing by 443% from UGX 0.57 trillion in FY2020/21 to UGX 3.1 trillion in FY2024/25. Particularly, FY2024/25 registered tremendous growth, way above the annual target of UGX 1.2 trillion and previous year's performance of UGX 2.8 trillion. This is owed to the 92,165 account holders who were registered against a target of 84,000 and the assets under management held by CMA licensed Collective Investment Schemes (CIS).

Under the intervention of improving uptake of capital markets, the CMA signed an MoU with Financial Sector Deepening Africa (FSDA) on 5th November 2024 in Nairobi, Kenya for collaboration under sustainability finance. Under this arrangement, the FSDA will provide technical support for the CMA in the development of a regulatory framework

for sustainable bonds. The process of procuring a consultant has commenced.

Considering the projected impact of capital markets on easing access to credit at the design of the NDP III, the impediments noted included the small sizes of the enterprises, internal governance challenges and informality, and limited awareness of the product, among others. To this end, smaller value products have been operationalised for the small and medium enterprises. The Uganda Securities Exchange launched the **Growth Enterprise Market Segment (GEMS)** in recognition of the fundamental role of "Small and Medium-Sized Enterprises" (SMEs) as a major driver of Uganda's economy and, ultimately, the overall financial system of Uganda.

The GEMS platform enables SMEs to raise substantial initial and ongoing capital, while benefitting from increased profile and liquidity within a regulatory environment designed specifically to meet their needs. The eligibility criteria for raising financing through the GEMS are significantly less stringent compared to those on the main investment market segment above. The entity does not need to be profitable nor have tax returns for a number of years. The CMA has embarked on establishing reasons why GEMs has not taken off as expected, given their high potential.

Under the intervention of strengthening the legal and regulatory frameworks for private equity and venture capital, the CMA is

undertaking numerous legal frameworks to provide more capital markets products under Islamic Capital Markets and Partnership Regulations. The aim is to operationalise the provisions in the Partnerships Act aimed at facilitating the local domiciliation of private capital funds. These new products will increase the uptake of capital markets and their usage as alternative financing sources.

Meanwhile, the legal and regulatory framework that supported the operations of capital markets was in March 2025 boosted with new regulations that include:

- (i) The Capital Markets Authority (Licensing and Approvals) Regulations, 2025;
- (ii) The Capital Markets Authority (Conduct of Business) Regulations, 2025;
- (iii) The Capital Markets Authority (Corporate Governance) Regulations, 2025; and
- (iv) The Capital Markets Authority (Offer of Securities) Regulations, 2025.

### **Strengthening Uganda's venture capital ecosystem**

The role of venture capital in Uganda is to raise long-term capital, provide long-term support, help in governance, hand holding to help improve on governance, strategize, tap in new markets, and provide managerial skills beyond capital.

The CMA believes that more than the legal impediments, the private sector is not able to access the aforementioned resources owing to Uganda's relatively small venture capital market, with total venture capital raised expected to be around USD 96.8 million. Informality in business activities has rendered economic activities uncertain with low investor confidence, and start-up scaling issues all contributing to the market's moderate fall. The hurdles are more industry-specific, since businesses prefer secrecy, are family-owned, and regulations could be waived to facilitate the raising of capital, but industry obstructions prevent the private sector from accessing these resources.

Uganda's long-term growth depends on innovation and the ability of young enterprises to scale. A vibrant venture capital market channels private risk capital into start-ups and high-growth small businesses, thereby creating jobs, diversifying the economy, and expanding the tax base. Businesses at

early stages or start-ups opt for venture capital, leverage buyouts if they are mature companies, or distressed financing in cases of declining businesses.

Suffice it to note that private capital is expanding in Uganda and to facilitate further growth, and the CMA has taken several steps in response to this sector dynamic. Some of these efforts include:

- Developing licensing regulations that allow for approval of private capital funds;
- Partnership regulations operationalising the Partnership Act, which allows for the domiciliation of capital domestic funds through the provision of clarifications on limited liability partnerships; and
- Income tax exemptions on earners by the fund and investors in the fund.

There are several challenges and constraints of venture capital, including, but not limited to:

- (i) Capital accessibility, which arises from the fact that Uganda receives only a small portion of venture capital deals when compared to Kenya, and typical investment tickets range from USD 250,000 to USD 1,000,000, often beyond the reach of early-stage start-ups;
- (ii) The cost of running venture capital operations in Africa is relatively high;
- (iii) Investors note macroeconomic volatility, regulatory uncertainty, and bureaucratic hurdles, and currency risk as deterrents; and
- (iv) Local funds, such as pension schemes, are not yet major contributors, unlike in other African markets.

To unlock this potential and reduce the country's reliance on informal financing, the CMA proposes the following actions:

1. **Deepen the venture capital market:** Incentivise venture capital funds through targeted tax reliefs, credit guarantees, and co-investment schemes with Government to attract both private and foreign investors. Facilitate partnerships between local investors and international venture capital firms to broaden funding pools and accelerate knowledge transfer.
2. **Build investor confidence:** Promote transparent financial reporting and timely disclosures to reduce information gaps and strengthen trust. Enhance investor-protection frameworks to

safeguard capital and ensure fair treatment of minority shareholders. Complement these measures with public awareness campaigns that highlight opportunities and the safeguards in Uganda's capital markets.

3. **Support start-up growth and scaling:** Establish incubation and acceleration programmes in collaboration with universities, private sector actors, and Development Partners. Provide technical assistance and financial-literacy training to help SMEs prepare for listing and attract venture capital. Develop secondary markets and SME-focused trading platforms to give early-stage companies clear pathways to growth and eventual exit.
4. **Address industry-specific barriers:** Encourage corporate-governance reforms in family-owned and closely held firms to increase openness and investor appeal. Promote voluntary disclosure frameworks that allow companies to share financial information progressively while retaining operational control. Simplify and streamline regulatory processes for venture financing without compromising accountability.

### The Deals Flow Facility (DFF)

The Deals Flow Facility (DFF) was established in 2021 in collaboration with the CMA and the European Union with the aim of making over 220 Ugandan businesses 'investment-ready', with over 40 deals (debt/equity) closed in the next five years. The facility is focused on already-established businesses, building their investor readiness (where required) and connecting them to capital pools beyond bank financing, resulting in accelerated growth of Ugandan businesses and greater employment opportunities.

During the reporting period, four out of 40 deals were closed with a value of 6.1 million euros; 52 investees were matched with investors; and 36 investors onboarded by the DFF. Cumulatively, the DFF received over 280 applications, conducted 52 site visits, delivered tailored technical assistance to dozens of SMEs, and facilitated over 50 investor matches, resulting in multiple successful deals and expanded access to capital for high-potential enterprises. In addition, the CMA undertook several initiatives that were aimed at enhancing awareness about the

opportunities that capital markets create as well as to increase individual and institutional investment in securities. Some of these are elaborated below.

1. **Radio programmes aired:** The CMA reached **6,663,527** people through **34** radio programmes broadcast on various radio stations, exceeding the target by **13%**, which is majorly attributed to the support from the Ministry of Information Communication Technology (ICT) and National Guidance, which provided free space on radio programmes.
2. **CIS Award Breakfast:** The CMA holds an annual Collective Investments Schemes (CIS) Award Breakfast with a view to recognising the contribution made by different actors in the course of the year. Financial year 2024/25 was not alien to this norm and, thus, the 2025 CIS Awards were held under the theme "*Innovate. Trust. Grow: Driving Financial Inclusion through Unit Trusts*", which highlighted the critical role Collective Investment Schemes play in expanding access to capital markets for individuals and businesses.



CMA staff and the winners of 2025 Annual CIS Performance Awards.

3. **Reaching business owners and founders to increase uptake of capital markets among them:** The CMA partnered with the Uganda Manufacturers Association (UMA) to organise a Financial Symposium which allowed the authority to engage business owners and founders of businesses to raise capital through the capital markets. A total of 216 business owners were engaged through the initiative, with the East African Venture Capital Association (EAVCA) undertaking follow-up activities to ensure the uptake of market-based finance.



Participants at the East African Venture Capital Association initiative.

### 3.1.4 Increased value of formal financial sector savings for private sector investment

The NDP III identifies insurance and retirement savings as key sectors that are positioned to increase the value of financial sector savings for private sector investment.

The performance of the insurance and retirements sector has thus been tracked over the NDP III, and the actual performance of the key indicators is summarised in the table below.

**Table 14: Actual performance of indicators for the value of formal financial sector savings**

Indicator	Baseline (FY2017/18)	Actual Performance in FY				FY2024/25	
		2020/21	2021/22	2022/23	2023/24	Target	Actual
Retirement assets to GDP (%)	9.47 (2018)	11.1%	12.2%	12.4%	12.20%	19.20%	12.20%
Deposits in supervised financial institutions to GDP (%)	17.25	18.2%	18.3%	18.3%	29.3	29.50%	30%
Life insurance assets to GDP (%)	0.37 (2018)	0.49%	0.60%	0.6%	0.8%	0.99%	0.59%

**Source:** IRA Annual Reports.

Deposits in supervised financial institutions to GDP registered a 30% performance by the end of FY2024/25, well above the annual target of 29.5% and the previous year's performance of 29.3%. Over the NDP III period, the percentage of deposits in supervised financial institutions to GDP averaged 22.8%, ranging from 18.2% to 30%.

#### 3.1.4.1 Insurance coverage

Over the NDP III period, life insurance assets to GDP averaged 0.62%, ranging from 0.49% to 0.8%. In FY2024/25, life insurance assets to GDP declined to 0.59% compared to the previous year's actual performance of 0.8% and the annual target of 0.99%. The drop in performance was due to the different approach of asset valuation under IFRS 17 standard, otherwise the sector experienced an upward trajectory.

The Ugandan insurance industry recorded another year of robust growth in 2024. Gross written premiums grew by **10%**, from UGX 1,603.3 billion in 2023 to UGX 1,763.2 billion in 2024. This expansion was broad-based across key segments. Life insurance premiums (UGX 701.6 billion) grew by **14.7%** year-on-year, reflecting a rising demand for savings and protection products. The number of insurance service providers supervised included 20 non-life, nine (9) life, four (4) micro-insurers and two (2) Health Maintenance Organisations<sup>4</sup> (HMOs) and risk carriers, which are licensed by the Insurance Regulatory Authority of Uganda (IRAU) to provide health insurance and, in some cases, directly offer healthcare services through their own facilities or a network of providers. To further grow insurance coverage which directly increases formal sector savings, Government has

<sup>4</sup> AAR Health Services (U) Limited and Case Medicare Limited.

undertaken the following interventions:

**Micro-insurance products:** The insurance providers launched new micro-products to widen coverage for low-income communities and registered growth in coverage among them. There was observed expansion in HMO segment with premiums of UGX 69.8 billion. More generally, Uganda's nascent microinsurance industry saw explosive growth, where premiums more than doubled to UGX 1.64 billion with products tailored for farmers, boda boda riders, and small business owners. Non-life insurance (comprising motor, property, casualty etc.) grew more modestly up about 5.8% to UGX 986.5 billion, but remains the largest share (approximately 56%) of the market. Overall, the industry's combined premium income now stands at UGX 1.76 trillion, which is 0.59% of GDP.

**Agriculture insurance:** With over 70% of Uganda's population engaged in the informal sector, tailored microinsurance products can significantly expand coverage. For instance, agriculture insurance presents an important opportunity to grow the sector, especially if insurance gets to be included in some of the key government initiatives including PDM and *Emyooga*, among others, as this would provide smallholder farmers with the opportunity to mitigate risks from climate change effects and pest and disease outbreaks.

At the close of the year, the Agro Insurance Consortium recorded a total of **106,374** insured farmers across all four regions of the country. Financial institutions continued to account for the majority of insured farmers, largely due to their extensive branch networks that enable access to agricultural lending and insurance services nationwide. The Agricultural Insurance Scheme covers 80% of the premiums that farmers would otherwise pay.

**Marine insurance:** Marine insurance remains one of the most underdeveloped lines in Uganda's insurance sector despite its strategic importance to trade and logistics. In 2024, the sub-sector recorded over 30% growth in premiums, a notable recovery driven largely by enhanced regulatory enforcement of marine insurance compliance.

The directive by the Government requiring all imports to be insured by locally licensed insurers has started yielding results. The increasing uptake of marine insurance

has redeemed UGX 60.3 billion in VAT and UGX 35 billion Bn in stamp duty, which was previously lost to foreign insurers. A dedicated platform is in place but full compliance is yet to be achieved as many importers continue to rely on foreign cover. This limits premium retention and deprives local insurers of critical marine underwriting experience.

To address this, in 2024, the Insurance Regulatory Authority (IRA) initiated a cross-agency taskforce involving the Uganda Revenue Authority (URA), the Ministry of Trade, port operators, and marine underwriters to review enforcement challenges and streamline marine insurance processes. IRA also revised marine compliance guidelines and, together with the Uganda Insurers Association (UIA), and other key stakeholders conducted targeted capacity-building workshops to popularise marine insurance.

To further increase compliance, IRA, in collaboration with the URA, launched an integrated online platform for marine cargo and goods-in-transit insurance.

This platform enables importers to purchase cover directly from licensed local insurers, streamlining payments and expediting claims processing while reducing reliance on foreign insurers. Accessible via the UIA website ([www.uia.co.ug](http://www.uia.co.ug)), the platform provides a user-friendly interface for securing marine insurance and is expected to bolster local retention of premiums and improve financial market liquidity.

With Uganda poised to play a bigger role in regional trade under AfCFTA and growing inland logistics corridors like the Northern Corridor, marine insurance will become a critical lever in national risk management and foreign exchange conservation.

Our long-term vision is to establish Uganda as a competitive marine insurance jurisdiction within the Great Lakes and East African logistics ecosystem. This will require stronger compliance enforcement, technical training, cross-border harmonisation, and supportive marine-specific policy reforms.

#### 3.1.4.2 Retirement sector

Retirement assets to GDP registered a 12.2% performance by the end of FY2024/25, missing the annual target of 19.2% and stagnating at the same performance in the previous year. Over the NDP III period, the

actual performance of retirement assets to GDP averaged 12%, ranging from 11.1% to 12.4%. At 12.20%, retirement assets to GDP (%) remains low compared to the global average of 29%, according to World Bank statistics<sup>5</sup>.

Retirement assets must be protected as key sources of patient capital for infrastructure, capital markets and private sector development. Over UGX 3 trillion (12% of retirement assets) are invested in equity portfolio. They also provide income security for members in retirement, reducing dependency and poverty among the elderly population.

The retirement sector holds a relatively small share of the economy's total wealth, meaning many Ugandans are not saving enough for retirement. About 85% of Uganda's workforce is in the informal sector, which remains largely uncovered by formal retirement schemes. There is dire need for deliberate efforts to encourage voluntary participation in retirement savings for non-salaried workers.

Under the intervention of expanding pension and insurance coverage to increase formal sector savings, Uganda Retirement Benefits Regulatory Authority (URBRA) undertook activities to strengthen retirement literacy, and promoted member empowerment, where over 500 scheme members were reached through targeted awareness sessions focused on the legal and regulatory frameworks governing retirement planning. These were aimed at fostering a well-informed and active membership base. URBRA also built the capacity of 699 trustees and service providers on critical aspects such as fiduciary duties, retirement income sustainability,

governance innovation, and the use of digital tools for better scheme management, among others. The intermediate outputs from these interventions are demonstrated through the following measures:

**Retirement Benefits Sector coverage:** The Retirement Benefits Sector (RBS) coverage in Uganda currently stands at 15.5%, which remains below the set target of 20% for FY2024/25 in the URBRA Strategic Plan. This variance is attributed to structural limitations within the country's social security system, which is inadequately designed to ensure broad-based coverage and long-term financial sustainability. The existing framework predominantly caters for formal sector workers, while nearly 85% of Uganda's labour force, largely in the informal sector, remains excluded.

The limited penetration among informal workers underscores the urgent need for inclusive, innovative, and flexible pension solutions to expand coverage and enhance social protection across all segments of the population.

**Equity portfolio:** Equity portfolio, which consists of listed and unlisted equities, increased by 21.6% from UGX 3.09 trillion in FY2023/24 to UGX 3.76 trillion in FY2024/25, representing 12.59% of the assets under management. Schemes majorly invest in listed equities, which are considered less risky, compared to unlisted equities marred by governance challenges. The investment regulations allow schemes to invest up to 70% in quoted equities and 15% in private equities. The table below provides details of the sectoral composition of listed equity portfolio as at June 2024.

**Table 15: Sectoral composition of the listed equity portfolio (market values) as at June 2024**

Quoted Equities by Sector	2023/24		2024/25	
	Amount (UGX billion)	Sector (%)	Amount (UGX billion)	Sector (%)
Financial Services	1,063.37	34.35	1,204	35.9
Consumer Staples	385.23	12.44	345	10.3
Utilities	306.69	9.91	244	7.3
Technology	1,240.64	40.07	1,464	43.6
Material & Processing	78.25	2.53	74	2.2
Consumer Discretionary	3.82	0.12	3	0.1
Health Care	17.96	0.58	24	0.7
<b>Total</b>	<b>3,095.97</b>	<b>100.0</b>	<b>3,358</b>	<b>100</b>

<sup>5</sup> [https://www.theglobaleconomy.com/rankings/pension\\_funds\\_assets/?utm\\_source](https://www.theglobaleconomy.com/rankings/pension_funds_assets/?utm_source)

**Sector operating ratio (cost-to-asset Ratio):** This measures funds' operational costs relative to total assets or income, with lower ratios generally better for member savings. It shows how efficiently retirement benefits schemes are being managed. It directly affects member outcomes and sector sustainability. In FY2024/25, the sector operating ratio remained within the target of 1%, reflecting effective cost management across retirement benefits schemes, with administrative and operational expenses maintained at sustainable levels relative to income or assets under management. Achieving the target as planned demonstrates improved scheme governance, adoption of cost-control measures, and compliance with regulatory expectations.

The performance further suggests that the implementation of risk-based supervision and increased scrutiny of service provider fees may have positively influenced operating practices. This level of efficiency ultimately safeguards member savings and supports the long-term sustainability of the retirement benefits sector.

URBRA aims to promote good governance and stability of the Retirement Benefits Sector to increase formal sector savings. To this effect, the risk-based supervision framework was enhanced with broader risk

assessment parameters and consequently impacted on sector risk ratings. Some of the significant risks noted included operational risk exposures from some service providers' reliance on Excel-based templates to cover for system failures, credit risk exposures from outstanding contributions and legal risks for non-compliance with returns submission timelines.

**Annual Retirement Benefits Sector asset growth rate:** Assets under management (AUM) increased by 18% to UGX 29.87 trillion in FY2024/25, from UGX 25.35 trillion in FY2023/24. Growth in the AUM was largely attributed to net income<sup>6</sup> and net member contributions<sup>7</sup>. While AUM are often viewed as a measure of accumulated savings, it is important to note that they represent retirement savings only and not national savings. AUM reflects contributions and investment returns held within retirement benefit schemes for the purpose of securing members' future incomes.

National savings, on the other hand, encompass the broader pool of resources saved by households, businesses, and Government across the economy. These include bank deposits, corporate reserves, government fiscal surpluses, and other forms of private and public savings.



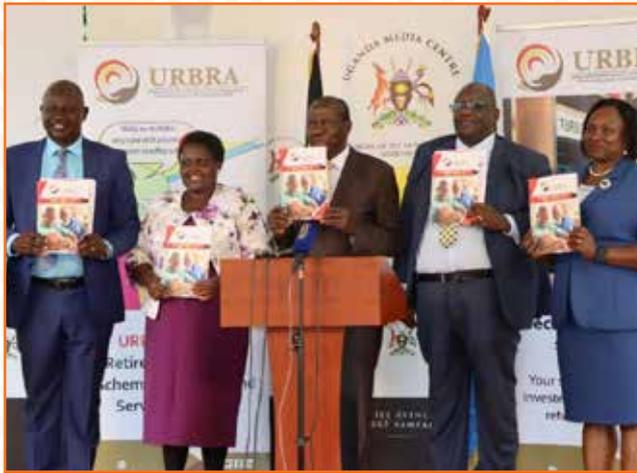
URBRA stakeholder engagement with Parliamentary Pension Scheme.



Minister of Finance during launch of the URBRA Annual Performance Sector Report in December 2024.

<sup>6</sup> Net income refers to the total earnings generated from all retirement benefits investments after deducting all related expenses (such as administrative costs, investment management fees, and other operating expenses).

<sup>7</sup> Net member contributions refer to the difference between the total member contributions received and the benefits paid out to members within a given period.



*URBRA Board members and Accounting Officer during the launch of the Annual Sector Performance Report in December 2024.*



*Director Research and Strategy sensitising members on Retirement Benefits Sector.*

### 3.1.5 Increased access to and usage of non-financial resources

Addressing the non-financial factors (power, transport, business processes etc.) leading to high costs of doing business is one of the PSD Programme key interventions. Many of the activities and results under this intervention fall under, and were implemented and reported on, by other programmes, e.g., integrated transport infrastructure and services; sustainable energy development; digital transformation; etc. In a bid to increase access to affordable finance, the PSD Programme specifically undertook to ease access to finance through Security Interest in Movable Property Registry System (SIMPR/SIMPO).

SIMPO is an online platform established under the Security Interest in Movable Property Act, 2019 and managed by the Uganda Registration Services Bureau (URSB). The registry allows lenders and borrowers to register security interests in movable assets, including vehicles, machinery, livestock, inventory, farm products, receivables, and intellectual property, which serve as collateral for loans.

Over this reporting period, SIMPO continued to enhance access to credit, particularly for SMEs by enabling the use of movable property as collateral, which has traditionally been excluded by lenders. The registry offers a range of services to both lenders and borrowers, including a transparent and searchable platform for verifying existing collateral claims, thereby reducing lending risks and advancing financial inclusion. Key services include account creation, registration of initial and post-registration

notices by lenders, search functionalities, and training and sensitisation programmes designed to raise awareness and encourage usage.

Uptake of the registry has continued to rise, reflecting increasing stakeholder confidence and awareness. The key performance statistics to consider in appreciating the acceptance of SIMPO include:

- a) the number of security interests registered at the movable property registry;
- b) the number of clients' searches;
- c) the number of collaterals in SIMPO; etc.

The performance of these measures of adaptation is discussed below.

**Number of security interests registered at the movable property registry:** In FY2024/25, the URSB registered 18,975 security interest notices, compared to 11,350 in the previous FY2023/24, representing a 67% growth. Cumulatively, 46,184 security interest notices were registered between FY2020/21 and the end of June 2025, up from 3,350 notices recorded by June 2020. This substantial growth is attributed to the integration between SIMPO and the Motor Vehicle Registry (MVR) in Uganda. The integration streamlined the caveat placement process, enabling lenders to submit requests online with processing completed within 24 hours, thereby reducing turnaround times and improving overall system efficiency.

Generally, there is a steady expansion in the use of movable property to secure credit, with individuals and MSMEs emerging as key beneficiaries. This trend underscores the

growing role of the collateral registry in promoting financial inclusion, supporting enterprise growth, and enhancing access to affordable credit, while sustainably lowering the costs of doing business in the economy.

The table below highlights the strongest uptake to be by the Tier 4 Microfinance Institutions and Moneylenders (73% of the notices registered), followed by institutions supervised by the Bank of Uganda (26%).

**Table 16: Number of security interest notices on the SIMPO registry**

No.	ITEM	No. of Security Interest Notices Registration					
		June 2021	June 2022	June 2023	June 2024	June 2025	Total as at June 2025
1.	No. of notices registered by development banks and institutions supervised by BoU	784	1,059	1,459	3,301	5,382	<b>11,985</b>
2.	No. of notices registered by institutions (including Tier 4 Microfinance Institutions & Moneylenders)	4,314	3,391	4,622	7,866	13,482	<b>33,675</b>
3.	No. of notices registered by non-financial institutions	42	78	106	182	106	<b>514</b>
4.	No. of notices registered by individuals	1	2	1	1	5	<b>10</b>
<b>Total Security Interest Notices Registered</b>		<b>5,141</b>	<b>4,530</b>	<b>6,188</b>	<b>11,350</b>	<b>18,975</b>	<b>46,184</b>

Source: URSB.

**Number of collaterals registered on the SIMPO registry by June 2025:** Motor vehicles remain the predominant form of movable collateral in Uganda, accounting for 83.1% of lodged interests in the SIMPO registry. This is followed by consumer/household goods at 7.7%, company/business assets at 6.0%, and other forms of collateral at 3.2%. The preference for motor vehicles is evident in the sharp growth of registrations, rising from 9,952 as at 30th June 2024 to 23,597 by 30th June 2025. This reflects lenders' preference for vehicles due to the ease of securing interests through caveats on vehicle logbooks in their favour.

Vehicles are particularly attractive collateral because ownership is readily verified, and repossession procedures in the event of default are well established. Although interests registered in other movable assets account for only 16.9%, they represent 25 classifications of movable property currently being utilised in the system, an encouraging sign of growing acceptance and diversity. The table below highlights the fact that individuals contribute the highest number of registered collateral owners at the SIMPO registry.

**Table 17: Number of collateral owners registered on the SIMPO registry**

Grantor/Collateral Owner Type	2019/Sept.	2020	2021	2022	2023	2024	2025	Total
Individual	297	559	799	634	1,320	3,110	2,720	<b>9,441</b>
Large Enterprise	1	25	51	38	55	64	45	<b>279</b>
Medium Enterprise	1	49	164	200	189	163	155	<b>921</b>
Micro Enterprise	1	3	8	4	7	15	19	<b>57</b>
Small Enterprise	5	10	64	51	61	78	53	<b>322</b>
<b>Total</b>	<b>307</b>	<b>646</b>	<b>1,086</b>	<b>927</b>	<b>1,632</b>	<b>3,430</b>	<b>2,992</b>	<b>11,020</b>

Overall, this reflects a steady expansion in the use of movable property to secure credit, with individuals and MSMEs emerging as key beneficiaries. This trend underscores the growing role of the collateral registry in promoting financial inclusion, supporting enterprise growth, and enhancing access to affordable credit, while sustainably lowering the costs of doing business in the economy.

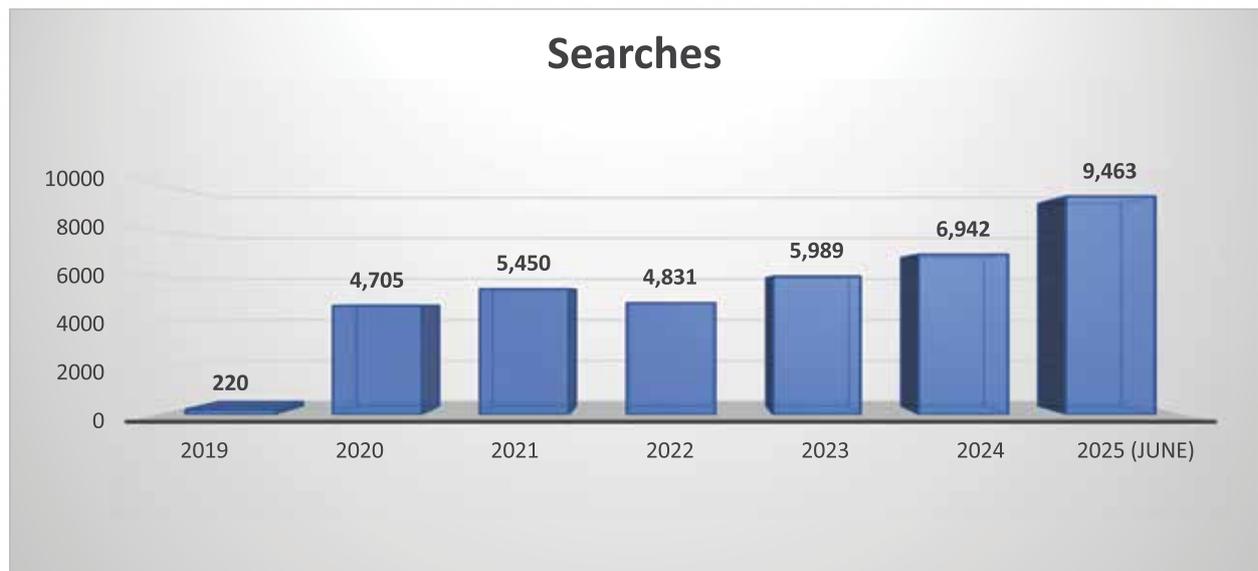
The table below highlights the strongest uptake on the secured creditor's side by moneylenders (32.7% of the secured creditors registered) followed by individuals.

**Table 18: Classification of collateral owners registered on the SIMPO registry**

Client Type	2019	2020	2021	2022	2023	2024	2025	Total
Agency	0	0	1	0	0	1	0	2
Associations	0	1	0	0	0	1	0	2
Commercial Banks	15	12	4	1	3	4	0	39
Credit Institutions	6	6	1	3	2	2	1	21
Development Banks	2	4	0	1	1	0	0	8
Individual	5	8	1	3	1	30	50	98
Leasing Companies	0	0	0	0	1	0	0	1
Microfinance Deposit-Taking Institutions	1	2	0	0	1	0	0	4
Moneylenders	5	12	7	12	17	98	38	189
NGO (Foreign)	0	0	0	1	0	1	0	2
Non-Deposit-Taking Microfinance Institutions	3	6	7	8	17	33	8	82
Other	0	8	3	8	12	20	10	61
Partnerships	0	0	0	0	9	12	3	24
Savings and Credit Cooperatives (SACCOs)	0	2	2	1	1	16	13	35
Sole Proprietorship	0	0	0	0	3	2	3	8
Trustees	0	0	0	2	0	0	0	2
<b>Total</b>	<b>37</b>	<b>61</b>	<b>26</b>	<b>40</b>	<b>68</b>	<b>220</b>	<b>126</b>	<b>578</b>

**Source:** URSB Annual Reports.

**Searches:** A SIMPO search entails accessing and reviewing registry records to ascertain whether a security interest, such as a loan or charge, has been registered against a movable asset (for example, a vehicle, machinery, or inventory). This function enables parties to confirm an asset's collateral status before entering into financial or commercial transactions. Year-on-year searches rose by 36.3%, underscoring growing confidence in the system. Since its inception, the registry has logged a cumulative 37,600 searches, as detailed below.



**Figure 5: SIMPO registry searches**

**Source:** URSB Annual Reports.

### 3.1.6 Emerging issues

1. Businesses in Uganda are characterised by low competitiveness and informality, and this explains why the National Social Security Fund (NSSF) has been investing elsewhere in the East African region (especially Kenya) rather than Uganda.
2. There is no system in place to ensure that beneficiaries of one financial product do not again benefit from other products. This duplicity will erode the efficient use of the resources and limit reach to a wider scope. Integration of systems PDMIS/*Emyooga* databases is recommended.
3. There is low insurance of public sector investments SGR/infrastructure/ free zones, among others.
4. The UDB notes that the projects in key strategic sectors identified by Government, e.g., the minerals sector, are underdeveloped, rendering them non-bankable and less competitive. There are also limited insurance products, especially for agricultural projects, and credit guarantee instruments are lacking. To address these concerns, the bank recommends de-risking these sectors through subsidising costs of feasibilities, and advisory functions in line with the agriculture guarantee scheme.
5. The implementation of the RAPEX agenda introduced interim policy and coordination gaps, disrupting the licensing cycle for Tier 4 financial institutions, resulting in consumer protection risks and increased lenders' exposure to borrower default.

### 3.2. Organisational and Institutional Capacity of the Private Sector

Micro, Small and Medium Enterprises (MSMEs) form the cornerstone of Uganda's economy, comprising approximately 90% of the private sector, generating over 80% of manufactured output, and contributing about 75% to the Gross Domestic Product (GDP). However, the Third National Development Plan (NDP III) highlights that the private sector is weak and uncompetitive to sustainably drive growth due to its limited

production and organisational capacity, and the absence of a strong supporting environment, among others.

Indeed, the private sector in Uganda is characterised by a high degree of informality, inadequate technical and business skills, and managerial capacity gaps that lead to high mortality of businesses. For every new business being established, another is closed within one year of its operation, and only 8% of MSMEs have been in existence for 15 years and more<sup>8</sup>.

The World Bank defines organisational and institutional capacity as an organisation's **ability to perform its core functions, solve problems, and achieve its strategic objectives effectively, efficiently, and sustainably**. The PSD Programme, therefore, intended to strengthen the organisational and institutional capacity of the private sector, and the following outcomes were expected:

- a) Improved business capacity and local entrepreneurship skills enhanced;
- b) Increased membership in chambers of commerce and trade unions;
- c) Strengthened linkages to regional and global markets;
- d) Increased automation of business processes;
- e) Increased research and innovation within the private sector;
- f) Increased access to and use of market information systems by the private sector;
- g) Increased access to and use of incubation centres by the private sector; and
- h) Simplified system for starting a business.

The following sections discuss the actual achievements in respect of the above outcomes, and the various interventions and actions implemented by the key players during the year under review.

#### 3.2.1. Business capacity and local entrepreneurship skills

The table below presents the performance against the key indicators measuring improved business capacity and enhance local entrepreneurship skills, for FY2024/25, and the previous years' performance over the NDP3 period.

<sup>8</sup> Uganda Entrepreneurship Index Report 2024 (UEIR).

**Table 19: Actual performance of indicators for improved business capacity and entrepreneurial skills FY2024/25**

Indicator	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	FY2024/25	
					Target	Actual
% of businesses that accessed BDS in the past 3 years	No data	No data	No data	10%	20%	15%
Global Competitiveness Index Ranking	115/141	114/141	No data	No data	108/141	No data <sup>9</sup>

### **Global Competitiveness Index Ranking**

The World Economic Forum paused the computation of the Global Competitiveness Index/ranking in 2020, hence the absence of actual performance figures during the NDP III period. Owing to the limitations of the internationally recognised indices, including abrupt discontinuations and lack of country-specific aspects, among others, MoFPED, going forward, is developing the Sub-Regional Competitiveness Index (SRCI) as an alternative to the Global Competitiveness Index.

### **Percentage of businesses that accessed BDS in the past 3 years**

Business Development Services (BDS) refer to the non-financial services and products provided to entrepreneurs and MSMEs to assist them in improving competitiveness through addressing constraints like weak technical skills and inadequate business

planning capacity. The intervention of BDS under this outcome aims at increasing business productivity, innovation and lifespan of businesses.

In FY2024/25, the percentage of businesses that accessed BDS in the previous three years stood at 15%, below the annual target of 20% but an improvement, compared to the previous year's performance of 10%. The lower-than-target performance is attributed to the fragmented BDS efforts that are probably not tracked and measured due to the absence of a central reporting mechanism for all the BDS efforts. Going forward, the Ministry of Trade, Industry and Cooperatives (MTIC) is encouraged to comprehensively capture the provision of BDS services by various providers, including the private sector and other players such as the MSC, PDM, UDB, INVITE and GROW Projects.

The National BDS framework launched in FY2022/23 is one of the key interventions geared towards strengthening the organisational and institutional capacity of the private sector under the NDP III. The framework supports existing wealth creation programmes, including the PDM and *Emyooga*, and it prioritises mass provision of BDS to MSMEs.

In addition, the National Business Development Services (NBDS) Guidelines were developed to provide practical and clear guidance for all MDAs on how to mainstream BDS into their planning, budgeting, implementation and reporting. The Guidelines are awaiting Senior Management approval. It is anticipated that all recipients of government services, especially funds and grants, should be guided to ensure that they optimally benefit from the opportunity and grow sustainably. Under the NDP III, the UDB, MSC, and PDM, among others, have been supporting their clients in this regard.

In an effort to further strengthen the provision of BDS and improve the management capacities of local enterprises, the following activities were undertaken by various PSD Programme MDAs during the year under review:

- i. A **Regulatory Impact Assessment (RIA)** for the BDS Strategy was undertaken, led by MTIC, in collaboration with the Ministry of Finance, Planning, and Economic Development (MoFPED), the Ministry of Local Government (MoLG), the Cabinet Secretariat and Enterprise Uganda. The key findings highlight the need to develop a BDS Policy for better management and uptake of BDS. The RIA report has been finalised and is awaiting approval by the MTIC Senior Management.

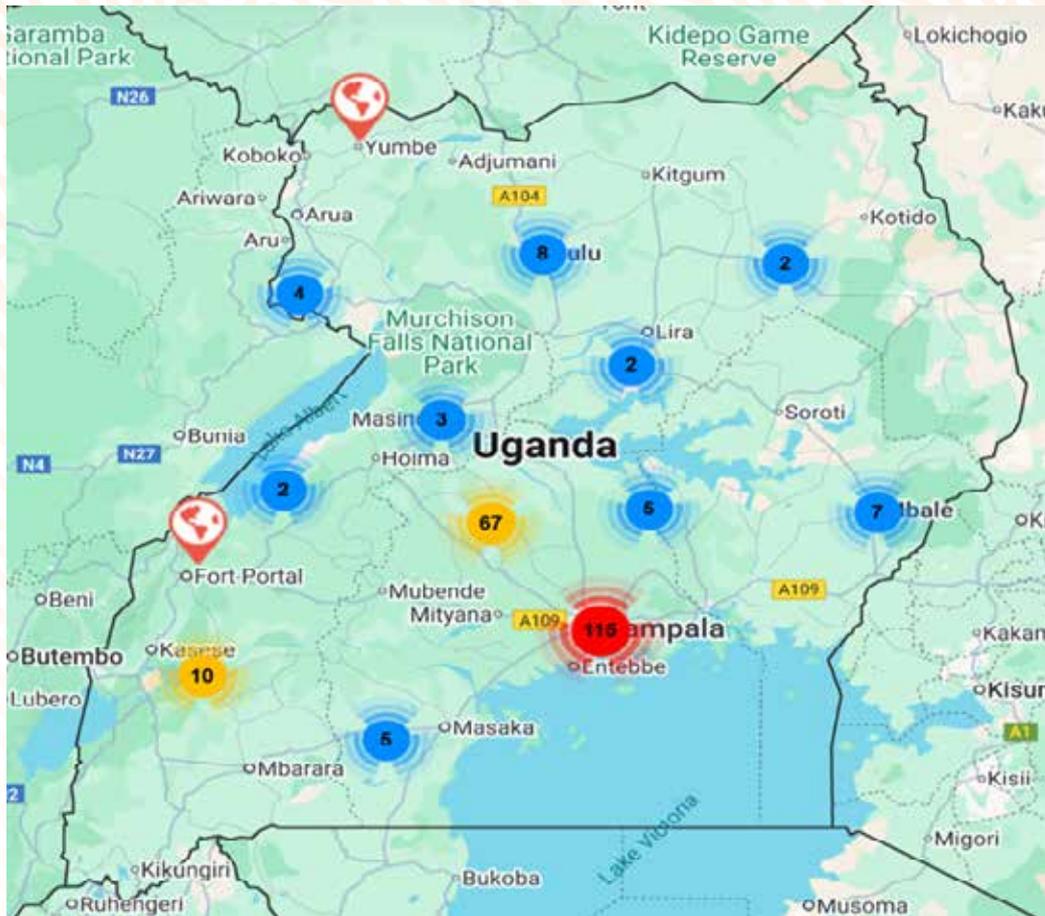
<sup>9</sup> 2019. The World Economic Forum paused this publication in 2020. However, the Ministry, through EDPRD, is developing a domesticated index as an alternative to the Global Competitiveness Index.

- ii. **BDS certification process:** MTIC, in partnership with Enterprise Uganda, convened a national consultative meeting to discuss the BDS certification process and the formation of a Professional BDS Providers' Association. The meeting also explored the development of an accreditation framework to professionalise BDS service delivery. A task force has been identified from the providers to champion the process.
- iii. **National BDS Centre of Excellence (CoE):** Spearheaded by Enterprise Uganda, the CoE was nearly (96%) completed by the end of the financial year. The centre will improve collaboration amongst public and private BDS providers in order to share best practices and build a BDS community of practice. The operationalisation of the BDS CoE will accelerate the provision of BDS services through more trainings at the centre as opposed to procuring hotel services.



*National BDS Centre of Excellence (Enterprise Uganda offices) located at Plot 2A, Butabika Road, Kampala*

- iv. **National BDS providers database piloted:** Two hundred thirty (230) BDS providers were registered on the pilot National BDS database established by MoFPED (Enterprise Uganda) and MTIC. The database highlights the services provided and location of the service providers and is to be used by key institutions that provide BDS services like MTIC, NITA-U, and EntUg, among others, to locate local BDS service providers to collaborate on BDS service delivery within a specific location. The database is an aspiration of the National BDS framework to enhance the visibility and quality of BDS services across the country. The database shall be rolled out nationally during FY2025/26.

**Map 1: Location of registered BDS service providers per region**

- v. Enterprise Uganda conducted mass BDS delivery covering 25,132 MSMEs (46% women) against their FY24/25 target of 25,000 MSMEs in 10 sub-regions across the country, including Kampala, Soroti, Kisoro, Sheema, Mbale, Nakaseke, Pader, Kyenjojo, Zombo, Nebbi, Kyotera, Gulu, Mitooma, Rwampara, Wakiso, Omoro, Bundibugyo and Kapelebyong, among others. The beneficiaries included PDM beneficiaries, SACCO leaders, *Emyooga* leaders and beneficiaries, and households including men, women and youths, among others. These trainings included:
- Business and Enterprise Start-up Tool (BEST) trainings that equip households, youth and other upcoming entrepreneurs with the confidence and practical skills to start and run successful enterprises.
  - Mindset and entrepreneurship trainings aimed at instilling a business mindset among business owners, develop the right attitude towards business. and enable them to start new businesses and expand existing ones.
  - Self-Empowerment for Equity and Change (SEE CHANGE) trainings that use agency-based empowerment, leadership, and business training practices and approaches to improve businesses.
  - Entrepreneurship Training Workshops (ETW) aimed at helping participants develop a familiarity with the behavioural competencies of successful entrepreneurs.
  - Business Health Checks (BHCs) aimed at assessing businesses and offering tangible measures for their improvement.
- vi. Enterprise Uganda organised the Global Entrepreneurship Week Conference which drew 1,247 participants, of whom (49%) were female. The conference focused on the Tenfold Growth Strategy, the Government's vision for economic growth, with a focus on the ATMS (Agro-industry, Tourism, Minerals/Manufacturing and Services/ICT).



*Global Entrepreneurship Week conference focused on the Tenfold Growth Strategy along ATMS at Hotel Africana – November 2024.*

vii. Enterprise Uganda also offered Training of Trainers (ToT) and direct business development support to 6,104 selected PDM SACCO leaders and beneficiaries, with a focus on priority areas during the stabilisation phase.



*Training session in Namutumba District.*



*Farmer Development Training (FDT) for PDM SACCO leaders and farmers in Kakumiro District.*

viii. Enterprise Uganda, in collaboration with Kasali Farmers' Cooperative Limited (KACFA) in Kyotera and Rakai, partnered with the Local Governments of Kyotera and Rakai to provide BDS to 1,945 PDM beneficiaries (46% females and 23% youth) from PDM SACCOS. Forty-seven percent of the participants started new businesses after the intervention, which included ventures such as coffee, animal rearing (piggery and goat keeping), retail shops, and maize farming, among others.



*KACFA, Kyotera/Rakai Local Government and Enterprise Uganda teams during the Training of Trainers (ToT) session in Kyotera.*

ix. Optimisation of government investments in markets and *Emyooga*: 1,565 entrepreneurs from 5 Markets and Agricultural Trade Improvement Programme (MATIP) Markets (Gulu, Lira, Soroti, Mbale and Tororo) were supported through the Market Business Academy. This was done through mindset change and financial literacy trainings aimed at de-

risking market enterprises and creating linkages for the uptake of *Emyooga* and PDM products.

- x. Seven hundred three (703) *Emyooga* beneficiaries from 15 active *Emyooga* SACCOs benefitted from entrepreneurship and business skills training and mentorship. These initiatives equipped the beneficiaries with critical skills, including customer service, people management, financial literacy and the basics of formalisation, enabling them to better utilise the investments.

### 3.2.2 Increased membership in chambers of commerce and trade unions

The Chamber of Commerce is a very important body for the mobilisation and development of the private sector and private sector associations in jurisdictions all over the world. Examples include the International Chamber of Commerce, which encompasses over 170 economies, the Africa International Chamber of Commerce, and the Kenya National Chamber of Commerce and Industry.

The importance of private sector associations includes trade promotion within and outside Uganda through advocacy and business-to-business linkages; promotion of the members' welfare; access to trade-related information for the members' benefit; and fostering a collaborative environment where businesses can thrive.

Membership and association by the private sector is provided for and supported by Uganda's laws, including the Constitution of the Republic of Uganda 1995 (as amended) that provides for the freedom of association, the Companies Act 2012 (as amended) that provides for registration of a private company limited by guarantee as the first process in the registration process of an NGO/private sector association etc.

This outcome of increased membership in chambers of commerce and trade unions is spearheaded by MTIC, Uganda National Chamber of Commerce and Industry (UNCCI), the Private Sector Foundation Uganda (PSFU), Uganda Small Scale Industries Association (USSIA), Uganda Manufacturers Association (UMA), Kampala Capital City Traders Association (KACITA) and the Federation for Small and Medium Enterprises (FSME), among others.

In the year under review, the number of firms that are registered members of chambers of commerce was 2,500, against an annual target of 800<sup>10</sup> and above last year's performance of 2,000. Relatedly, the Census of Business Establishments (COBE 2019/20)<sup>11</sup> reported that there are 686,700 businesses (formal and informal) in Uganda, implying that only 0.36% of businesses are registered with the Chamber of Commerce.

While the participation is still low, there are benefits that have been experienced, resulting from membership and association through the Chamber of Commerce. For example, based on the on-the-spot field activities carried out by the PSD Programme TWG during the year, in the districts of Gulu, Nwoya and Lira the Chamber of Commerce has emerged as an important vehicle for mobilising the business community, advocating for improved service delivery, and bridging the public-private gap. The findings highlight the involvement of the Chamber of Commerce regional office in Gulu in negotiating the structure of payment fees for standards, from full payments before accessing UNBS services to payment for standards in instalments. This allows members to pay these fees in instalments and thereby eases access to standards for their products. This is significant and underscores the power of associating as well as the importance of the UNCCI and other forms of private sector association to private sector development.

The PSD Secretariat, in collaboration with the EPRC, conducted an informal workers and activities study to understand the measurement, size, nature, composition, and extent of informality amongst businesses, workers and activities, as well as the main reasons for operating informally. The study findings highlight the fact that only 12% of informal workers are aware of the existence of trade unions.

The Private Sector Development Programme envisages reducing informality through private sector associations like the Uganda National Chamber of Commerce and Industry (UNCCI) and other trade unions. Therefore, the limited awareness about trade unions and chambers of commerce complicates the efforts of tracking the relevance of these associations.

<sup>10</sup> UNCCI submitted that the NDP III target was understated.

<sup>11</sup> This census is undertaken by the Uganda Bureau of Statistics (UBOS) every after 10 years.

### 3.2.3 Linkages to regional and global markets

Under this outcome, the PSD Programme aims at developing business linkages to external markets to increase the value and volume of exports. The lead MDAs contributing to this outcome include MTIC (Department of External Trade), Uganda Free Zones and Exports Promotion Authority (UFZEP) and the Ministry of East African Community Affairs (MEACA).

As a result of various efforts by the above MDAs, Uganda's total merchandise exports receipts grew by 36% from USD 7.818billion in FY2023/24 to USD **10.635 billion** in FY2024/25.

In an effort to promote the competitiveness of Ugandan products in international markets, **UFZEP**<sup>12</sup> spearheaded the development of cooperation agreements with the EAC; establishment of a Tea Marketing Office at the Dubai Multi-Commodities Centre (DMCC) to tap into the Middle Eastern and Eastern European markets; establishment of the Uganda Business Centre in Dubai during the 2nd edition of the Uganda-UAE Trade and Investment Forums held in October 2024 in Abu Dhabi, Sharjah, and Ras Al Khaimah; and signing an MoU between UFZEP and the Osaka Chamber of Commerce and Industry. This MoU is expected to act as a bridge for future cooperation in areas such as trade promotion, capacity building, investment facilitation, and joint innovation, among others.



*The Ugandan delegation at the Uganda-Japan Trade and Investment Forum held in Osaka, Japan on 19th June 2025, under the theme “Boosting Trade and Investment between Uganda and Japan” on the sidelines of the Osaka Expo 2025.*

**The Ministry of Foreign Affairs (MoFA)** contributes to private sector development, partly through Economic and Commercial Diplomacy (ECD). The Ministry is involved in attracting investment, creating market access for Ugandan products, promoting tourism, strengthening the private sector's international linkages, and negotiating technical cooperation agreements. During FY2024/25, the Ministry registered the following achievements:

**Strategic investment promotion:** MoFA coordinated and participated in 10 strategic investment promotion forums across key markets, including Turkey, Japan, Malaysia, the United Kingdom, China,

Iran, and the Czech Republic. These fora served as platforms to showcase Uganda's opportunities in agro-industrialisation, tourism, mineral development, science and technology, and information and communication technology (ICT). Notable highlights include:

1. The Uganda-Serbia Trade Mission in Nis, Serbia, during which a Bilateral Air Service Agreement (BASA) was signed, reviving the historic 1963 Uganda-Yugoslavia Agreement.
2. The Xiamen International Coffee Fair (China) and the Coffee Exhibition in Uganda, which positioned Ugandan coffee among leading global brands.

<sup>12</sup> Although the NDP3 PIAP stipulated specific activities to be implemented by UEPB, approximately 20% of them were implemented due to the impact of the rationalisation process. To this end, UEPB and Uganda Free zones Authority (UFZA) were rationalised into Uganda Free Zones and Export Promotion Authority (UFZEP). The UFZEP board was inaugurated 6 months into the financial year.

3. The Outbound Travel Market (Mumbai, India), where Uganda won the “Most Promising New Destination Award”, enhancing the country’s visibility as a tourism hub.

**Market access negotiations and agreements:** MoFA facilitated major market access negotiation tracks to unlock new markets for Ugandan goods and services. These included:

- (i) Bilateral engagements in Serbia and Turkey, which explored cooperation in agricultural exports and agro-processing.
- (ii) Market access discussions with the Ministry of Trade, India, resulting in a commitment to open the Indian market to Ugandan avocados and pineapples subject to compliance with entry requirements.

**Facilitation of private sector businesses:**

The Ministry directly facilitated Ugandan private sector businesses to access strategic markets abroad. Key achievements included,

among others:

- (i) Supporting Latitude Chocolates, KK Fresh Produce Exporters Ltd, and the Uganda Flower Exporters Association to penetrate the Japanese market during the Uganda-Japan Trade and Investment Forum.
- (ii) Facilitating negotiations that opened up new opportunities for Ugandan products in the German market during a business dinner hosted by the Konrad-Adenauer Foundation.

**Diaspora engagement:** The Ministry hosted the inaugural Diaspora Convention (18–19 December 2024), which mobilised remittances, investment interest, and knowledge transfer from Ugandans abroad. This marked the start of a structured mechanism for sustained diaspora engagement as a development resource.



*H.E. the Vice President, Maj. (Rtd) Jesca Alupo (C) together with the Hon. Minister of Foreign Affairs, Hon. Gen. Jeje Odongo, the Permanent Secretary, Ministry of Foreign Affairs, Mr. Vincent Bagiire Waiswa, and other dignitaries at the Inaugural Uganda Diaspora Convention, which took place at the Speke Resort, Munyonyo.*

The convention highlighted the need for private sector-centric diplomacy to facilitate market access for Ugandan businesses to produce tangible economic benefits beyond traditional aid-driven diplomacy.

**Ministry of East African Community Affairs (MEACA)** has established business linkages through bilateral engagements

in Madi Opei and Oraba (Uganda-South Sudan); Vurra and Bunagana (Uganda-DRC); Mutukula (Uganda-Tanzania); and Busia and Suam (Uganda-Kenya). As a result, 840 women cross-border traders successfully established business linkages with their counterparts in adjoining countries, thereby contributing to regional trade integration and women’s economic empowerment.



*Ministry of EAC Affairs carrying out a bilateral engagement at the Suam border between Uganda and Kenya.*

### 3.2.4 Automation of business processes

Business processes refer to a structured sequence of activities designed to achieve a specific organisational goal, deliver a service, or produce a product for customers. Business processes encompass all activities undertaken from the registration to the operation of a business, including registration of a business, obtaining a Tax Identification Number (TIN), obtaining trade licences, NSSF registration, utilities registration under the National Water and Sewerage Corporation (NWSC) and Uganda Electricity Distribution Company Limited (UEDCL), an investment licence under the Uganda Investment Authority (UIA) and other sector-specific licences including professional licences, among others.

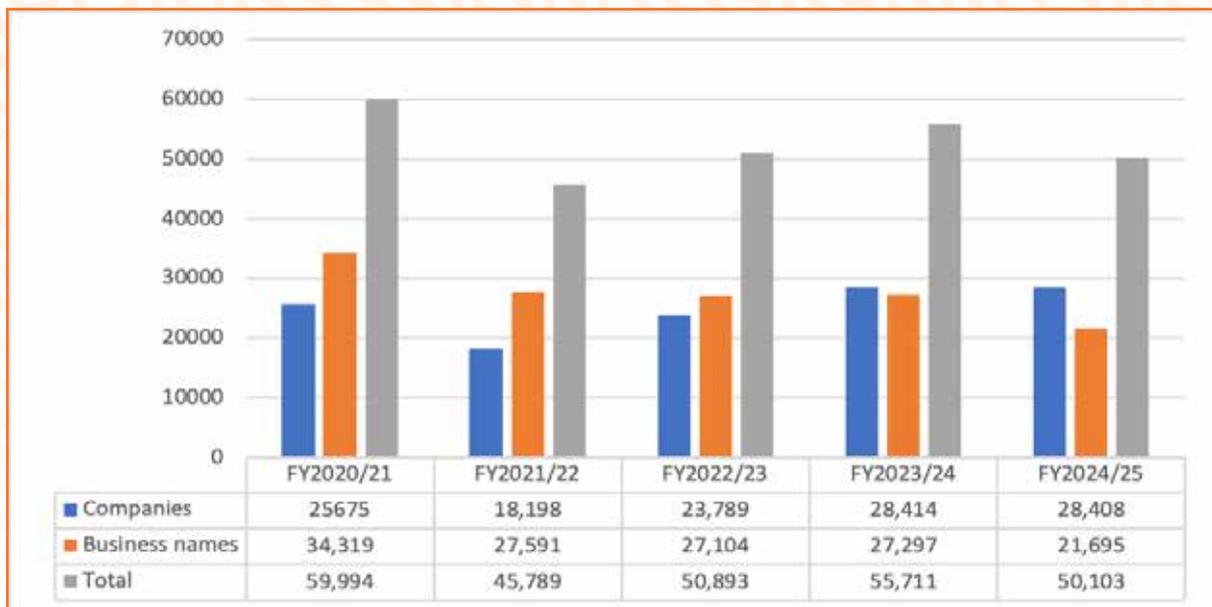
Therefore, this outcome is about utilising the automation of business processes to enable simplification, timely registration and access to government services.

The legal and policy framework that supported interventions for this outcome include the Data Protection and Privacy Act 2019, the Electronic Signatures Act 2011, the Electronic Signatures Regulations 2013, the Electronic Transactions Act 2011, the Electronic Transactions Regulations 2013, and the National Information Technology Act 2009 that provides NITA-U with the mandate to provide high-quality information technology services to Government.

The MDAs leading contributions to this outcome include NITA-U, the Uganda Registration Services Bureau (URSB) and the UIA, among others. Below are some of the actions implemented by the above MDAs during the year:

In response to increasing innovation and automation of business processes to simplify registration services, the **URSB** registered the following outputs during the period under review:

1. Registered 50,103 businesses under the Online Business Registration System (OBRS) in FY2024/25, below the previous year's performance of 55,711. These comprised 28,408 companies and 21,695 business names. The registration of businesses has fluctuated over the NDP III period, as shown in the figure below. The increased performance between FY2022/23 and FY2023/24 is attributed to the continuous simplification of the registration process through the introduction of the OBRS, the implementation of the mass business registration strategy, stakeholder engagements, outreach activities, and mass public awareness about the benefits of registration and formalisation.



**Figure 6: Registration of business processes over the NDP III period**

2. Integrated the Industrial Property Automation System (IPAS) with African Regional Intellectual Property Organisation (ARIPO) member states, and deployed digital signatures, which have streamlined regional intellectual property application processing, enhanced document security, and improved efficiency. As a result, local trademark<sup>13</sup> renewals increased by 50%, utility model<sup>14</sup> by 17% and copyright<sup>15</sup> registration by 3% in 2024.
3. Automated the insolvency procedures and integrated them in the OBRs. This component facilitates the online registration of insolvency practitioners, the filing of returns, and simplifies the process of winding up companies.

During FY2024/25, the **Uganda Investment Authority (UIA)** registered the following outputs:

4. Worked closely with NITA-U to operationalise system-to-system integrations, including the OBRs – validation of Business Registration Number (BRN); and the URA – application for instant TIN; application for work permits through the Directorate of Citizenship and Immigration Control (DCIC); and application for a City Operator Identification Number (COIN) by KCCA.

This will simplify business processes through reducing the time required to start a business as well as reduce the number of procedures and the cost of obtaining the relevant licences and permits by accessing them at a single point.

5. Established web links for investors to access services via eBiz, for MDAs whose system-to-system integrations are not yet operational.
6. Developed and implemented the One-Stop Centre (OSC) client charter that resulted in increased service accountability commitments through improved efficiency, enhanced service delivery, reduced the cost of doing business, and improved Uganda's competitiveness. The charter provides service standards and turnaround times for OSC services (e.g., investment licences within 48 hours, company incorporation within 4 hours, TIN issuance instantly for Ugandan individuals).
7. Facilitated up to 25,895 transactions against a target of 12,000 through the OSC and above last year's performance of 7,040. These transactions translated into 481 licences issued above the target of 440; a planned investment value of USD 3.2 billion, against a target of USD 1.6 billion; and 53,230 jobs created above a target of 48,000.

<sup>13</sup> A trademark is a distinctive sign that identifies certain goods or services produced or provided by an individual or a company from those of other enterprises (URSB).

<sup>14</sup> A utility model is an exclusive right granted by the government for an innovation/invention, which is either a product or process that offers a new technical solution to a problem.

<sup>15</sup> Copyright law grants authors, artists and other creators protection for their literary and artistic creations, generally referred to as "works".

8. The processing time for an investment licence has been reduced to 24 hours, against the 48-hour presidential directive.

Meanwhile, the **Ministry of Trade Industry and Cooperatives (MTIC)**, in collaboration with the Ministry of ICT and National Guidance, developed a MTIC Permits and Licensing, and Management Information System for MSMEs. It is a self-registration system supporting MSMEs and start-ups with application for and issuance of permits. This will reduce the time and cost involved in obtaining licences, permits, and certifications. The purpose of the system is to create a central inventory with timely information on the number, performance, location and sectors of MSMEs, supporting real-time identification of gaps, and timely delivery of tailored BDS and other interventions. The system is integrated with URSB and URA. This project is completed and ready for a pilot rollout in FY2025/26.

The other key business processes automated over the NDP III period and corresponding outputs include:

1. Registration of businesses, business names, and certification of documents, among others, under the OBRS. This has reduced the time and cost of registration of businesses to 3 hours from 24 days<sup>16</sup>, reduced the time for business name registration to 30 minutes, and led to instant certification of documents. The system has also reduced the number of procedures from 13 to 2 and created simple Memorandum and Articles of Association (MEMARTs) for the registration of companies.
2. TIN application is currently instant. This follows a reduction from 4 to 6 days in 2020.
3. Application for a construction permit under the Building Industry Management System (BIMS) has reduced the time for obtaining construction permits from 2 years in 2022 to 72 days in 2025, specifically under KCCA. Although this is still above the statutory target of 30 days, the system has supported the tracking of applications for construction permits, which is done on a 'first in, first out' basis.

### 3.2.5 Research and innovation within the private sector

This outcome highlights the importance of research and innovation to development, including fostering innovation, improving productivity, creating new industries, enhancing human capital, and diversifying the economy. The MDAs spearheading the performance of this outcome include MTIC, Uganda National Council for Science and Technology (UNCST), UIA and the National Planning Authority (NPA).

Uganda's ranking in the Global Innovation Index has worsened from 114/133 economies in 2020 to 121/133 economies in 2024. Uganda was also ranked 4th out of the 10 low-income economies and 18th out of 27 economies in sub-Saharan Africa.

According to the **UIA**, 26% of MSMEs used Research and Innovation services<sup>17</sup>, which is above the target of 20% and the previous year's actual performance of 15%. This is due to improved awareness of the benefits of the MSME portal by the UIA.

In support of the use of research to strengthen the private sector investment decisions, Government, through the **National Planning Authority (NPA)**, conducted feasibility studies in strategic NDP III areas for government and private sector investments. These included:

1. A feasibility study on the South Sudan Economic Hub to boost regional trade and enhancing economic integration and growth within the EAC and AfCFTA. Study findings indicate that there is significant economic potential for the proposed hub despite the existing infrastructure and technological limitations.
2. A feasibility and market study for limestone value addition in Uganda, which assessed the viability of processing limestone into products such as cement, lime, and other industrial materials. The limestone study further examined market demand, investment potential, and the role of value addition in supporting industrialisation, job creation, and import substitution.

<sup>16</sup> This is according to the World Bank Ease of Doing Business Report 2020.

<sup>17</sup> Specific services include business linkages to markets, access to finance and product exhibition through the online marketplace .

### 3.2.6 Access and use of market information system by the private sector

Market information asymmetry limits competitive trade practices. This is why the PSD Programme deliberately designed interventions to improve access to and usage of market information systems. This outcome promotes the use of market information for private sector development. This is mainly to be achieved through creating online platforms that offer market-relevant information. The performance of this outcome is spearheaded by MTIC and the UIA.

As at the end of FY2024/25, a cumulative total of 47,000 firms/users were registered at the **Uganda Trade Information Portal** at MTIC. The portal was launched as a centralised, user-friendly platform providing step-by-step guidance on import, export, and transit procedures. It enhances transparency by detailing the required documentation, fees, regulatory steps, and institutional contacts, thereby reducing dependency on intermediaries and minimising delays and hidden costs.

**Uganda Investment Authority (UIA)** supported the access to and use of market information system by operationalising the National SME Portal. During FY2024/25, the number of firms using market information systems increased to 5,597 from 5,346 registered in FY2023/24. This is attributed to increased awareness of the National Small Medium Enterprises (NSME) Portal at UIA.

A total of 3,053 business profiles were registered on the National SME Portal. Of these, 1,450 (47.4%) are female-founded and 1,603 (52.6%) are male-founded profiles. The profiling process requires businesses to be formalised with incentives of improving access to business linkages to markets through product exhibition on the online marketplace and access to business development services. The total associated jobs established in these businesses increased to 18,411 during this reporting period from 16,527 jobs in FY2023/24. The table below provides the GDP contribution of the NSME Portal under this reporting period.

**Table 20: GDP contribution of the UIA NSME Portal as at June 2025**

Category	Associated GDP contribution (UGX - Bn)	Percentage
Micro	11.36	0.28
Small	17.04	0.42
Medium	20.29	0.5
Large	4,009.20	98.8
<b>TOTAL</b>	<b>4,057.89</b>	<b>100</b>

**Source:** NSME Portal, UIA.

### 3.2.7 Access and use of incubation centres by the private sector

Incubation centres nurture start-ups into competitive and sustainable enterprises. This is done through incorporating all services needed for the development of these businesses under the same institution or establishment.

The UNSCT established two incubation centres under the National Science Technology Innovation and Skills Enhancement (NSTEI-SEP) Project in Kiruhura District and Kampala Industrial Business Park (KIBP). Other incubation centres include, among others, the Makerere Innovation and Incubation Centre established through a joint MOU between Makerere University and MoFPED; the Uganda Industrial Research Institute (UIRI) Business Incubation Program; the Innovation Village; Outbox Hub; Hive Colab; Stemuka Business Incubator; CURAD; SHONA; Women in Technology Uganda (WITU); TechBuz Hub; Growth Africa; StartHub Africa; NSSF Hi-Innovator; MTIC Accelerator; and Stanbic Business Incubator. The majority of these are privately run incubators.

During FY2024/25, the number of firms accessing incubation centre services increased to 415, from 254 in FY2023/24. However, this was below the annual target of 1,000 firms.

Under the intervention of establishing and strengthening research and innovation for MSMEs, UIRI admitted 22 new enterprises during FY2024/25, bringing the total number of incubatees in its incubation programme to 90. Furthermore, 550 individuals were trained in paper and briquet production, One hundred seventy-two individuals trained in bakery skills and 1.58 million litres of milk were processed by dairy incubates, among others.

However, there is no comprehensive legal and regulatory framework for the monitoring and coordination of incubation centres for their intended benefits under the NDP. This will require to be established in the coming years. MTIC is finalising the development of the Start-Ups Policy and Implementation Strategy. After its conclusion, MTIC will embark on the RIA for the Start-Ups Bill which will include incubation services,

accelerator programmes and innovation hubs.

### 3.2.8 Systems for starting a business

Under this outcome, the PSD Programme aims at reducing the time and cost of starting a business. The table below illustrates the performance of the indicators measuring the achievement of this outcome.

**Table 21: Actual performance of indicators for simplified systems for starting a business over the NDP III period**

Indicator	Actual 2020/21 <sup>18</sup>	Actual 2021/22	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
Procedures to legally start and formally operate a company (number)	13	No data	No data	2	3	2
Time required to complete each procedure to start a business (days)	24 days	Less than a day <sup>19</sup>	No data	0.1 hours	0.1	4 hours <sup>20</sup> 30 minutes <sup>21</sup>
Cost required to complete each procedure (% of income per capita <sup>22</sup> )	40%	No data	No data	No data	4.00%	5%

**Source:** URSB Annual Reports.

By the end of FY2024/25, the number of procedures to legally start and formally operate a company were reduced to only two, i.e. Name Reservation and Single Registration Form 1. The turnaround time for business name is 30 minutes (0.02 days), company registration is completed in 4 working hours (0.2 days) and certification of the business documents is instant through the OBRS. These timelines apply only when the client has all the requisite documents in place.

### 3.2.9 Challenges and emerging issues of strengthening the organisational and institutional capacity

1. The UIA National SME Portal and the MTIC Trade Portal offer largely similar services to MSMEs, creating a duplication of services. Therefore, there is need to streamline and centralise both systems to capture MSME data under one portal.
2. There is fragmentation of incubation centres and their efforts for private sector development.
3. Persistent non-tariff barriers in the EAC region continue to undermine efforts

to strengthen cross-border business linkages and limit Uganda's ability to fully harness the benefits of regional integration.

4. There is need to improve the functionality of the UNCCI and other private sector associations for strengthened advocacy and market research.

### 3.3 Local Content in Public Programmes

The PSD Programme aims at increasing the capacity of local firms to benefit from public investment through increasing the proportion of local procurement awarded to local contractors; the proportion of jobs taken by Ugandans in foreign-owned enterprises; and proportion of Ugandan goods and services utilised by foreign firms in public projects.

The objective of promoting local content in public programmes recognises the need for the deliberate promotion of the participation of local goods and services in public programmes considering that the Government is the largest spender in the economy. The NDP III focused on increasing private sector participation in

<sup>18</sup> Source: World Bank Ease of Doing Business Report 2020 (last publication). No URSB figures exist in the annual report of this reporting period.

<sup>19</sup> This is due to the introduction of the OBRS on 1st August 2021.

<sup>20</sup> For company registration.

<sup>21</sup> For business names registration.

<sup>22</sup> This refers to official costs for undertaking each procedure required to register a business without including bribes or professional fees (World Bank Doing Business Report 2020).

key infrastructure projects to improve local content and scale up the usage of locally procured goods and services through reservation schemes and investment in supplier development programmes. Increased use of local content will enhance

value addition to Uganda's products and exports, increase the competency of the national workforce, as well as create jobs. The table below shows the performance over the NDP III period.

**Table 22: Actual performance against targets for local content in public programmes over the NDP III period**

Indicators	Actual 2020/ 21	Actual 2021/ 22	Actual 2022/ 23	Actual 2023/ 24	Target 2024/ 25	Actual 2024/ 25
Proportion of local procurement value awarded to local contractors <sup>23</sup>	74.3%	61%	48%	63%	80%	59%
Proportion of jobs taken by Ugandans in foreign-owned enterprises	No data	No data	No data	No data	15	67.1 <sup>24</sup>
Proportion of Ugandan goods and services utilised by foreign firms in public projects.	No data	No data	No data	No data	40%	18.3%

**Sources:** PPDA and UIA.

The total value of sampled contracts awarded in FY2024/25 was UGX 5,396,498,795,870<sup>25</sup>, of which UGX 3,183,664,537,127 (59%) was awarded to local providers. During FY2024/25, a total of 30,176 contracts were awarded and 29,521 of them went to local providers, representing 98% by number. However, the 2% by number awarded to foreign providers accounts for 41% of the total value of contracts awarded.

The few large high-value contracts continue to be mostly awarded to international firms, most of which are financed using Development Partner assistance, which does not provide for local content under partner frameworks.

The Special Interest Groups (SIGs) were awarded UGX 2,343,552,748, representing 0.04% of the overall awarded contract value in the FY24/25, against a target of 15%.

In terms of employment creation, 67%, against a target of 15%, of the jobs in foreign-owned enterprises were taken by Ugandans. Furthermore, 18.3%, against the targeted 40%, of Ugandan goods and services were utilised by foreign firms in public projects. This is largely because only low-cost Ugandan products, such as gravel, sand and unskilled labour, are used in many projects, such as road construction.

The NDP III lists three broad interventions to achieve the objective of promoting local content in public programmes:

- Developing and implementing a holistic local content policy, legal and institutional framework;
- Building the capacity of local firms to benefit from public investments; and
- Developing and publicising a transparent incentive framework that supports local investors.

#### **Intervention: Improving Capacity of local firms to benefit from public investment**

This intervention aimed at strengthening the local suppliers to participate in key major infrastructure projects to nurture the private sector and scale up the use of locally procured goods and services. The average performance of local firms in benefitting from public procurement is attributed to the low financial base and skills required to absorb in public procurement contracts and deliver quality services with minimal time lapses. Under this intervention, the following outputs were achieved:

#### **Establishment of the reservation scheme for Special Interest Groups (SIGs)/Issuance of Guidelines for Special Interest Groups:**

Following the 2021 amendment of the PPDA Act, Cap. 205, PPDA issued reservation schemes Guidelines on promoting the participation of registered associations of women, youth and PWDs under Section 63 (2)(d) of the PPDA Act, 2005. Under these Guidelines, procurements valued at UGX 30 million or less within central government entities,

<sup>23</sup> Data source: PPDA Annual Reports for the years under review.

<sup>24</sup> Investment Abstract 2024/25, UIA.

<sup>25</sup> This refers to only the sample of contracts reviewed by the PPDA.

and UGX 10 million or less within local government entities, are exclusively reserved for registered associations of women, youth, and PWDs. At least 15% of the procurement budget of every Government Agency must be reserved for SIGs. To operationalise these Guidelines, the PPDA directed Local Government procurement officers to profile suppliers that can benefit from this reservation scheme.

A total of UGX 1,536,506,658,283 was reserved for registered associations of women, youth, and PWDs in FY2024/2025, representing 4.75% of the total planned procurement spend of UGX 32,093,788,558,292. This fell short of the 15% recommended target as per PPDA Guideline 11/2024. The underperformance is attributed to the fact that the reform was implemented midway through the financial year and the limited awareness in Procuring and Disposing Entities (PDEs) about the reform.

In order to provide for the participation of registered associations of women, youth, and PWDs in public procurement, the Authority developed a database of business associations that have 51% or more ownership being either women, youth or PWDs that are involved in the supply of goods, works and services. This complements the current register of suppliers where PDEs identify and shortlist providers for specific procurement needs. The total number of registrations was 210 business enterprises as at the end of FY2024/2025, i.e.:

81%

- **171 women-owned enterprises**, representing 81% of the registrations;

13%

- **28 youth-owned enterprises**, representing 13%; and

11%

- **11 PWDs-owned enterprises**, representing only 5%.

The data indicates that more women-owned enterprises are registered and, as such, most likely to benefit from the reservation scheme. The Authority will undertake tailored initiatives to encourage registration of the youth and PWDs enterprises on the database.

**Capacity assessment of manufacturing facilities:** The PPDA undertook six field assessments of various manufacturing facilities. This was aimed at assessing their capacity and readiness to benefit from the provisions of the reservation Guidelines

to promote local providers in public procurement.

The facilities that were assessed are involved in textile, furniture and cable manufacturing. These included Southern Range Textiles Nyanza (NYTIL), Fine Spinners Ltd, Mayondo Engineering Works Ltd, Uganda Prisons Service, Cable Corporations Ltd, and Simba Automatives Ltd. The assessment looked at the installed production capacity at these facilities, the shareholding and status of ownership of the facility, the annual sales, the employment of local staff, the safety and health standards in place, the skilling and knowledge transfer of local staff, the percentage of local materials inputs in production, and the challenges faced, among others. The assessment concluded that these firms are ready to benefit from the provisions of the reservation Guidelines.

Additionally, 2,372 local firms were trained in various aspects of the procurement and disposal system. Trainees included Contracts Committees, Accounting Officers, Procurement Departments, User Departments, Service Providers, Civil Society Organisations, and SMEs.

The PPDA further facilitated supplier fora organised by various PDEs to address common challenges faced by bidders. The PDEs included Uganda Civil Aviation Authority, Uganda Electricity Distribution Company Ltd, Kampala Capital City Authority, and the URA Integrity Forum. The fora aimed at understanding the challenges of providers in public procurement with the purpose of increasing their participation in promoting local content in public programmes.

#### **Intervention: Develop a holistic local content policy, legal and institutional framework**

Under this intervention, the PPDA undertook the following activities:

1. Sensitised 117 selected procurement cadres, against a target of 500, on the integration of the economic pillar in the procurement process through bid preparation and specification to support local providers.
2. Maintenance of the Register of Providers. The number of active providers on the Register of Providers was 8,774, with a total of 7,432 existing providers successfully renewing their profiles, ensuring their continued eligibility to participate in public

procurement processes, while 1,342 new providers were formally registered, expanding the pool of prequalified local qualified suppliers available to PDEs.

3. Review of the procurement plan and reporting templates: The amendment of the PPDA Act, Cap. 205 in 2021 introduced new provisions on the promotion of the participation of SIGs, among others. Following the commencement of the new FY2024/25, the Authority revised the procurement plan and monthly reporting templates to require information on multi-year procurements, as well as procurements reserved for local providers and SIGs. The changes were communicated to all Accounting Officers in Circular No. 1/2024, and an engagement was held with all High Spend Entities (HSEs) and those on the Electronic Government Procurement (eGP) system. The review of procurement plans and the reporting template will enhance the implementation of the reservation schemes in SIGs.
4. Pilot Baseline assessment on the extent of participation of women-owned businesses: The Authority conducted a baseline evaluation on the participation of women-owned businesses in public procurement. The assessment covered contracts awarded during FY2022/23 in four pilot entities<sup>26</sup>. The assessment reviewed contracts with a combined value of UGX 98,354,256,266.

The baseline assessment indicated that the total contracts awarded to women-owned businesses across the four entities accounted for 15%. Women-owned businesses were found to be predominantly involved in non-consultancy services and supplies, with minimal participation in works and consultancy services. This pilot is intended at improving the reservation to women-owned businesses.

5. In the interest of enhancing opportunity for local content participation in public procurement, the UNBS, with the support of partners such as the Commonwealth Standards Network, USAID Feed the Future, has simplified over 15 food standards, e.g. for maize, beans, millet, peas, rice, food labelling, food hygiene etc., into infographic extracts, as well as translating them into several local languages to facilitate the uptake of these standards. This has

improved understanding of standards and appreciation of their contribution to private sector development.

### 3.3.1 Challenges and emerging issues

1. Many donor-funded projects stipulate open international competition, which overrides local content provisions. Weak negotiation capacity on the part of Government has meant that local content provisions are often not considered in financing agreements. This leaves a significant portion of high-value contracts outside the scope of local participation, especially in infrastructure and energy.
2. Capacity gaps among local firms remain pronounced: Many lack the technical expertise, advanced technology, financial strength, and managerial systems required to deliver on large or complex contracts. Procuring entities, therefore, tend to favour foreign firms that can guarantee timely delivery and compliance with international standards. This entrenches the perception that local content compromises quality and efficiency.
3. Financial barriers further undermine implementation: Local providers face difficulties accessing credit because of high interest rates and stringent requirements due to the absence of procurement-tailored contractor financing. Even when awarded contracts, many firms experience delayed payments from procuring entities, which worsens cash flow constraints and hampers contract performance. The persistence of late payments erodes confidence and discourages participation in future tenders.
4. Weak enforcement of existing frameworks: Although the PPDA Act and related regulations provide for reservation schemes and preference for local firms, compliance by procuring entities is inconsistent and oversight is weak. Many contracts that should be reserved for Ugandan firms are still awarded to foreign companies, partly due to limited monitoring and lack of sanctions for non-compliance.
5. There were delays in payments for goods and services offered to Government by some local providers, hence stagnating their capacity, operations and opportunities to access more government businesses.

<sup>26</sup> KCCA, UEGCL, Mbarara City, Wakiso DLG.

### 3.3.2 Recommendations

1. Through the PSD Programme, Government should expand contractor financing through the Uganda Development Bank (UDB) as a catalytic instrument for local content. The UDB should establish a dedicated Contractor Financing Facility with long tenor terms, equipment and plant loans to enable local firms to mobilise the capacity for works, invoice discounting and purchase order financing.
2. Through the PSD Programme, Government should promote the development of special purpose vehicles, consortia and joint ventures among local contractors. It should encourage industrial clustering by offering incentives for shared logistics and testing facilities, perhaps beginning with pilot clusters in Kampala, Jinja and Mbale aligned to priority sectors. Enterprise associations could explore the business-to-business mentorships and handholding for competitive capacity to be built.

### 3.4 Strengthening the Role of Government in Unlocking Investment in Strategic Economic Sectors

The NDP III identified the Government's role in unlocking investments in key strategic sectors of the economy through three broad interventions, i.e.:

- i) Undertaking strategic and sustainable government investment and promoting private sector partnerships in key growth areas.
- ii) Strengthening research and innovation capacity in support of private and public investment.
- iii) Implementing regional commitments to accelerate intra-regional trade.

The expected outcomes from these efforts are:

- Regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas; and
- Increased use of research and innovation instruments by the private sector

Below is the programme performance in respect of the above outcomes:

#### 3.4.1 Regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas

The table below presents the level of achievement of "regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas" during the current and previous financial years as measured by the key NDP III performance indicators.

**Table 23: Performance of indicators measuring regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas**

Indicators	Actual in Financial Year				FY2024/25	
	2020/ 21	2021/ 22	2022/ 23	2023/ 24	Target	Actual
Number of private investments by the UDC	10	13	14	12	12 <sup>27</sup>	18
Total private sector investments facilitated by PPP arrangements	–	6	1	37	10 <sup>28</sup>	18
Proportion of domestic private sector investment (%)	55.7	–	24	49.7	50.8	–

**Source:** UDC Annual Reports.

The number of private investments supported by UDC increased from 12 in FY2023/24 to 18 in FY2024/25, representing a 20% growth in the overall portfolio. The positive performance is attributed to government's continuous efforts in capitalising UDC.

Importantly, all of the new investments were structured under the Public-Private Partnership (PPP) arrangement, emphasising the UDC's catalytic role in crowding-in private capital and de-risking strategic ventures in line with its statutory mandate under the UDC Act (2016). **Annex 5** provides details of the UDC's Investee Companies,

<sup>27</sup> However, the UDC's target in the Strategic Plan is 15.

<sup>28</sup> However, the UDC's target in the Strategic Plan is 15.

i.e., name, location, commencement year, amount invested, direct jobs created, export earnings/import savings and taxes paid.

### 3.5 Enabling Environment and Enforcement of Standards

To ensure competitiveness of the private sector, the PSD Programme aims at strengthening the enabling environment and enforcement of standards by providing the conditions required for the private sector to operate effectively and addressing the challenges hindering private sector growth.

The PSD Programme envisaged six outcomes to be achieved under this objective during the NDP III, namely:

- i. Standards developed and/or enforced;
- ii. Increased accessibility to serviced industrial parks;
- iii. Increased accessibility to export processing zones;
- iv. Increased formalisation of businesses;
- v. Improved availability of private sector data; and
- vi. A functional system for private sector complaints resolution.

The following are the key achievements registered during this reporting period in respect of the above outcomes and interventions:

The results and reporting framework for the NDP III provides, as a minimum, indicators and corresponding targets for measuring progress in the development and enforcement of standards. The table below provides the actual performance in respect of these indicators over the NDP III period.

**Table 24: Actual performance for standards developed and/or enforced over the NDP3 period**

Indicators	Actual in Financial Year				FY2024/25	
	2020/21	2021/22	2022/23	2023/24	Target	Actual
Annual change in products certified by the UNBS (%)	26%	23%	16%	1.30%	10%	15.20%
Number of certified products accessing foreign markets	3,424	4,225	4,886	4,951	6,000	5,703
Number of counterfeits tracked and destroyed (No. of seizures) **	1,087	1,357	655	653	1,200	304

The annual change in products certified by the UNBS performed at 15.2%, against the target of 10% and above last year's performance of 1.3%. The main reason for the sharp decline in performance was that many applications in the certification system were

#### 3.5.1 Development and enforcement of standards

The performance of this outcome is spearheaded by the Uganda National Bureau of Standards (UNBS). The legal and policy framework that has supported interventions under the outcome include:

- a. The UNBS Act 1983 that provides for the establishment of the Uganda National Bureau of Standards with the mandate of standardisation of commodities, administration of the Weights and Measures Act, banning of commodities, products and processes detrimental to the health and safety of consumers, and other related matters; and
- b. The Weights and Measurements Act 1965 that provides for the use of weights and measures and for related matters.

Secondary legislation includes, among others:

- c. The Statutory Instrument on Testing and Stamping Fees, 2017;
- d. The UNBS Certification Regulations, 2022; and
- e. The UNBS Market Surveillance Regulations, 2022; and
- f. The UNBS (Inspection and Clearance) Regulations, 2022.

still pending completion of the certification process as they awaited on-site audits, the return of corrective actions or test reports for files to progress to completion (PSD PAPR 2023/24). The number of certified products accessing foreign markets in 2024/25 was 5,703 compared to 4,951 in 2023/24, but below the annual target of 6,000 products.

The number of counterfeits tracked and seized has steadily declined over the NDP III period, moving from as high as 1,357 products in FY2021/22 to 653 products in FY23/24 and to 304<sup>29</sup> in FY2024/25, against

the target of 1,200. The underperformance below the previous year and the target is attributed to the financial and personnel constraints to facilitate inspections.

**Table 25: Actual performance against intermediate indicators under standards development over the NDP III period**

PSD Intermediate Indicator	Actual 2020/ 21	Actual 2021/ 22	Actual 2022/ 23	Actual 2023/ 24	Target 2024/ 25	Actual 2024/ 25
Number of standards developed	457	428	389	41	600	270
Number of certifications permits issued – Systems	14	26	33	34	40	33
Number of product samples tested	1,820	26,217	25,287	26,521	30,000	26,145

**Source:** UNBS Annual Reports.

In the year under review, the Bureau developed 270 standards below the targeted 600 and above last year's 41, bringing the total stock of standards from 4,812 in 2023/24 to 4,862. The underperformance

is due to the limited staffing levels at the Bureau. The table below illustrates the categories of standards developed over the NDP III period.

**Table 26: Categories of standards developed over the NDP3 period**

Sn	Standards Development Categories	2020/21	2021/22	2022/23	2023/24	2024/25
1.	Engineering and Construction	101	73	66	0	32
2.	Food, Agriculture and Forestry	65	66	68	7	84
3.	Chemicals and Consumer products	224	178	131	24	82
4.	Services and Business Management	67	111	124	10	72
	<b>Total</b>	<b>457</b>	<b>428</b>	<b>389</b>	<b>41</b>	<b>270</b>

**Source:** UNBS Annual Reports.

During the period under review, the PSD Programme member agencies undertook the following interventions to actualise this objective:

**National conformity assessment system:**

Supporting the national conformity assessment system to attain and maintain international recognition through accreditation is one of the PSD's Programme planned interventions intended to maintain credibility to participate in international markets.

The UNBS is ISO 9001:2015 certified. The Microbiology, Chemistry and Materials Engineering Laboratories are internationally accredited by SANAS of South Africa. The Electrical Laboratory, along with the regional laboratories located in Mbale, Gulu, and Mbarara, are at the application stage for SANAS International Accreditation with support from Trade Mark Africa.

**Testing capacity and the laboratory recognition scheme for private and Government laboratories:**

The UNBS has four laboratories at the headquarters, namely the Chemistry Laboratory, the Microbiology Laboratory, the Engineering Materials Laboratory, and the Electrical Engineering Laboratory. There are 22 private and government laboratories<sup>30</sup> recognised by the UNBS, which have reduced the load on the Bureau, enabling it to reduce the turnaround time for its services. Despite all these efforts, the Bureau is currently certifying 30% of the applications made. The table below illustrates the number of samples tested per laboratory in FY2024/25.

<sup>29</sup> NDR 2024/25, NPA.

<sup>30</sup> <https://www.unbs.go.ug//content.php?src=scope-of-unbs-recognised-laboratories&pg=content>

**Table 27: Number of samples tested per laboratory over the NDP III period****Number of samples tested per laboratory over the NDP III period**

Sn	Laboratory	2020/21	2021/22	2022/23	2023/24	2024/25
1.	Chemistry	890	13,424	12,611	13,541	13,107
2.	Electrical	47	548	441	539	594
3.	Materials Engineering	33	3,899	4,182	3,948	4,261
4.	Microbiology	580	8,346	8,053	8,493	8,183
	<b>TOTAL</b>	<b>1,820</b>	<b>26,217</b>	<b>25,287</b>	<b>26,521</b>	<b>26,145</b>

Source: UNBS Annual Reports.

**Tracking and eliminating sub-standard goods and services:**

During FY2024/25, the UNBS inspected 4,023 market outlets, against the annual target of 9,000. To this end, 438 premises were sealed off for non-compliance and approximately

1,264,896.92 kilograms of sub-standard

products were seized, as illustrated in the table below. This output continues to be challenged by limited staffing levels at the Bureau and the unscrupulous methods of private sector entities that deal in sub-standard products at night.

**Table 28: Quantities of seized products by region (in kg) FY2024/25**

Regions	Q1	Q2	Q3	Q4	Regional Total
<b>Central</b>	7,566.11	4,480.80	2,653.27	460,732.60	<b>475,432.78</b>
<b>Eastern</b>	616,898.70	8,455.34	60,532.94	53,472.42	<b>739,359.40</b>
<b>Western</b>	589.19	798.389	3,660.16	20,958.00	<b>26,005.74</b>
<b>Northern</b>	10	6,030.95	9,441.25	8,616.80	<b>24,099.00</b>
<b>Total</b>	<b>625,064.00</b>	<b>19,765.48</b>	<b>76,287.62</b>	<b>543,779.82</b>	<b>1,264,896.92</b>

**Harmonise standards, institutions and policies at local and regional levels:**

To better position Uganda and take advantage of the opening regional market opportunities, the UNBS initiated the amendment of the Weights and Measures Act.

**3.5.2 Access to serviced industrial parks**

The performance of this outcome is spearheaded by the Uganda Investment Authority (UIA). The legal and policy framework supporting this outcome includes:

1. The National Industrial Policy 2020 that provides for building a fully integrated, competitive, high-value and productive industrial sector;
2. The UIA Strategic Plan 2020/21–2024/25 that provides for improving domestic and foreign direct investment for accelerated industrialisation through serviced industrial parks, among others; and
3. The Investment Code Act 2019 which mandates the UIA with the responsibility of coordinating, encouraging, promoting

and facilitating investment in Uganda.

In consideration of this outcome, Government aims at establishing an integrated industrial infrastructure and services in one location with all the required utilities, i.e., land, electricity, industrial water, a waste disposal and management facility, ICT infrastructure, roads and modern lighting systems, parking facilities etc. The industrial parks are to facilitate investors to set up manufacturing facilities for efficient and low-cost production of goods and services both for local consumption and for export.

As of June 2025, there were 674 operational businesses in industrial parks, against a target of 254 (including those subletting in the Kampala Industrial Business Park (KIBP). As at the end of FY2024/25, two new potential sites for industrial parks were identified in Kisoro and Nebbi and securing of the land through titling was initiated. The status of the industrial and agricultural parks in Uganda is as follows:

**Table 29: Status of Industrial and Agricultural Parks as of June 2025**

<b>Number of companies allocated land</b>	<ul style="list-style-type: none"> <li>• 628 (including those subletting in KIBP), with 67% of these companies in KIBP</li> <li>• 43.4% are Ugandan investors</li> </ul>
<b>Operational status of companies</b>	<ul style="list-style-type: none"> <li>• 348 (incl. those subletting in KIBP), with 63% of these companies in KIBP</li> <li>• 195 are in construction phase</li> <li>• 122 in pre-start stage and 4 newly allocated land</li> </ul>
<b>Number of jobs created</b>	159,959 jobs created
<b>Capital investment</b>	USD 4,183,858,651

**Economic impact of industrial parks:**

Of the **628** factories within the various industrial parks, a total of **159,959 jobs** have been created (both direct and indirect), with a total capital investment of **USD 4,183,858,651** as at end of June 2025. Of this amount, KIBP Namanve Investments contributes over USD 2.4 billion (about 57%).

**3.5.3. Accessibility to Export Processing Zones (EPZs)**

Established Export Free Zones (EFZs) offer incentives including attractive fiscal, physical and procedural advantages for export-focused manufacturing. Contributions to this outcome are led by the Uganda Free

Zones and Export Promotion Authority (UFZEPZA) created under the Uganda Free Zones and Export Promotions Act 2024, as amended.

During this reporting period, two firms, namely M/s Sena Indo Uganda Limited and M/s KK Fresh Produce Exporters Limited, were licensed as free zones. This increased the total number of private free zone enterprises from 41 in FY2023/24 to 43 by June 2025, against a target of 40. The newly licensed private free zones plan to invest approximately USD 30.44 million in processing coffee, and in horticulture activities. The additional investment will create 731 jobs in the next five years.

**Table 30: Economic impact of free zones in FY2024/25****Economic impact of free zones in FY2024/25**

No.	Item	FY2023/24	FY2024/25
1.	Total investment	1.85 billion	2.12 billion
2.	Employment	11,903 employees	13,881 employees
3.	Domestic purchase expenses	USD 49.03 million	USD 71.32 million

During FY2024/25, employment levels were driven by reinvestments in horticulture and manufacturing activities, creating 5,492 new jobs since 2020/21 at the commencement of the NDP III.

In FY2024/25 private free zones generated USD 1.201 billion in export earnings, an increase by 11% from USD 1.078 billion registered in FY2023/24, on account of increased exports of processed gold products. Other major exports included processed coffee, flowers and horticulture products. Free zones contributed 11.3% to the national merchandise exports during the financial year under review.

The tax benefits arising from sourcing locally available inputs and services from the domestic market encouraged free zones to purchase from the customs territory of

Uganda. The items purchased included industrial and agricultural chemicals, fertilisers, packaging materials, food items, construction materials such as cement, fuel, utilities, office supplies, irrigation materials, and electrical fittings, among others. Subcontracting services sourced locally included civil works, catering services, security services, waste management services, and vehicle maintenance and repairs, among others.

**Regional legal and regulatory framework guiding Special Economic Zones:**

During the FY2024/25, the East African Community Special Economic Zones Regulations were adopted by the Sectoral Council on Trade, Industry, Finance and Investment. It was also recommended for adoption by the EAC Council of Ministers. The Regulations widen the scope of free zones

to include new types of free zones such as Education Zones, Industrial Zones/Parks, Science and Technology Zones, Agricultural Zones, Livestock Zones, Business Services Zones, Regional Headquarter Zones, Convention and Conference Zones, and Tourism and Recreational Zones, among others.

### 3.5.4 Availability of private sector data

The PSD Programme intends to see improved availability of private sector data,

**Table 31: Actual performance against targets for improved availability of private sector data**

Indicator	Actual FY2023/24	Target FY2024/25	Actual FY2024/25
Number of data requests to the MSME database	200	400	251
Number of reports and policy briefs developed	24	75	28

**Source:** UIA and EPRC validation interview September 2025.

The number of data requests to the MSME database stood at 251, which is lower than the target of 400. The UIA MSME Portal onboarded 251 MSMEs during this reporting period, bringing the cumulative total of registered MSMEs to 5,597. Furthermore, the MTIC MSME/Trade Portal has cumulatively registered 36,000 MSMEs. The Ministry is currently reviewing the portal to harmonise and centralise data capture for MSMEs.

During the year under review, 28 reports and policy briefs were developed by the EPRC, which was lower than the annual target of 75 reports but above the previous year's performance of only five reports. The EPRC published 28 research publications, comprising working papers, policy briefs, and fact sheets. So, in FY2024/25, the Centre doubled its effort, but the target of 75 reports was overly ambitious. Below are some of the key publications developed by the EPRC in an effort to improve the availability of private sector data during this reporting period:

#### **Monitoring Uganda's Business Climate:**

As in the previous year, EPRC continued to track and analyse Ugandan business managers' perceptions of current and expected business conditions over the next three months to gauge their impact on economic developments and the business environment. The findings were published quarterly in the Business Climate Indexes, which provided valuable insights to

measured by, among others, the number of data requests to the MSME database by MTIC, as well as the number of reports and policy briefs developed. This will be achieved through the interventions:

- Improve data availability on the private sector; and
- Improve dialogue between the private sector and Government.

policymakers in both Government and the private sector about economic trends and future business expectations. During the reporting period, four quarterly bulletins were released. During FY2024/25, the EPRC refreshed and increased the business sample to 1,152 business firms.

A copy of the BCI is available on the link: <https://eprcug.org/publication/ugandas-business-climate-slightly-improves-and-businesses-remain-optimistic-2/>

#### **Establishing an Export Insurance Credit Guarantee Scheme (EICGS) in Uganda:**

The study examined the possibility of Uganda establishing a national Export Insurance Credit Guarantee Scheme (EICGS) through a PPP between the Government and the Uganda Bankers Association to support exporters by covering risks like buyer insolvency and political instability. This study aimed to assess Ugandan companies' ability to access trade finance for both pre- and post-shipment activities, ultimately de-risking exports and facilitating expansion into regional and international markets. The study findings were disseminated at a stakeholders' workshop with participation from Government, the financial sector, and the general business community. There was a consensus that the establishment of the export credit scheme would be a game-changer for lowering risk and securing better prices for their goods.

### Is Uganda Ready for Large-scale Adoption of Electric Mobility Vehicles?

Uganda's e-mobility strategy presents major opportunities for private sector growth across several key areas. First, the limited availability of EV charging stations opens a lucrative space for companies to invest in public charging and battery-swapping infrastructure, with Government support to de-risk investment. Second, the push to localise 65% of the e-mobility value chain creates incentives for domestic manufacturing of vehicles and components, especially given Uganda's reserves of critical minerals like cobalt and lithium. Third, with over 60% of consumers finding EVs unaffordable, and more than half preferring financing options, banks and asset financiers can tap into a growing market by offering tailored leasing and loan products. Lastly, the shortage of skilled EV technicians and spare parts highlights a gap in maintenance services, creating demand for specialised garages, supply chains, and vocational training programmes. Together, these areas offer a robust platform for private enterprises to drive innovation, investment, and inclusive growth.

#### 3.5.5 System for private sector complaints resolution

The PSD Programme under the NDP III aimed at providing adequate systems for private sector complaints resolution for especially tax complaints.

The **Alternative Dispute Resolution (ADR)** was formally embedded in Uganda's tax administration framework under Section 26(11) of the Tax Procedures Code Act, effective 1st July 2021. The enabling ADR Regulations, however, came into force in March 2023. These regulations clearly outline the eligibility criteria for ADR and specify the timeframe within which a taxpayer may apply for ADR following an objection decision.

In FY2024/25 alone, ADR successfully concluded 2,547 cases, valued at UGX 929.80 billion. Building on this success, the journey towards automation and business process re-engineering has commenced. These reforms are intended to reduce the risks of information loss, accelerate case processing, enhance monitoring, and make ADR more accessible and transparent to taxpayers.

#### 3.5.6 Challenges and emerging issues

- a) There is a need for alignment of the Uganda Free Zones and Export Promotion Act 2024, as amended, to the East African Community Special Economic Zones Regulations that introduced 13 additional Free Zone Schemes, widening the scope of schemes that will enhance exports.
- b) There is limited participation of DCOs in data collection for improvement in the availability of private sector data and other related outcomes.



# 04

## ANNEXES

**Annex 1: Number of Loan Disbursed by District & City, as at 30th June 2025**

**A total of 114 Districts and 8 Cities**, including the following districts and cities, having a GROW Loan borrower.

Sn	Region <sup>31</sup>	District	Number of GROW Loan Borrowers						Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank	Stanbic Bank		
1	Acholi	Amuru	2	1					3	
2		Gulu	10	15	1		3		29	
3		Gulu City	12				21		33	
4		Kitgum	7	6			9		22	
5		Lamwo					8		8	
6		Nwoya	0				8		8	
			<b>31</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>49</b>		<b>103</b>	<b>3.48%</b>
7	Ankole	Bushenyi	20		2	6	12		40	
8		Ibanda	17				5		22	
9		Isingiro	3	1			2		6	
10		Kazo	10				2		12	
11		Kiruhura	4				23		27	
12		Mbarara	6	6	3	6	20		41	
13		Mbarara City	33						33	
14		Mitooma	2						2	
15		Ntungamo	4	4	1	5	18		32	
16		Rubirizi	2						2	
17	Sheema	4				1		5		
			<b>105</b>	<b>11</b>	<b>6</b>	<b>17</b>	<b>83</b>		<b>222</b>	<b>7.51%</b>
18	Arua	Arua	6	1		11	2		20	
19		Maracha	1						1	
20		Koboko	35						35	
21		Nebbi	10						10	
22		Pakwach	2				7		9	
23		Yumbe	2						2	
24		Zombo	6						6	
			<b>62</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>9</b>	<b>0</b>	<b>83</b>	<b>2.81%</b>
25	Bugisu	Bududa	0				1		1	
26		Manafwa	2				2		4	
27		Mbale	4	15	5	42	34		100	
28		Mbale City	14						14	
29		Sironko	1	1					2	
30		Namisindwa	1				2		3	
			<b>22</b>	<b>16</b>	<b>5</b>	<b>42</b>	<b>39</b>	<b>0</b>	<b>124</b>	<b>4.19%</b>
31	Bukedi	Budaka	3						3	
32		Busia	5			14			19	
33		Butaleja	1						1	
34		Pallisa	2	6		17			25	
35		Tororo	3	4		30			37	
			<b>14</b>	<b>10</b>	<b>0</b>	<b>61</b>	<b>0</b>		<b>85</b>	<b>2.87%</b>

<sup>31</sup> The names of the regions and the corresponding districts are presented in Table 17.

Sn	Region <sup>31</sup>	District	Number of GROW Loan Borrowers							Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank	Stanbic Bank			
36	Bunyoro	Buliisa			1				1		
37		Hoima	3	10	4		1		18		
38		Hoima City	6				9		15		
39		Kagadi	2				8		10		
40		Kakumiro	2				4		6		
41		Kikuube	2						2		
42		Kiryandongo	4		1		7		12		
43		Masindi	3		5		15		23		
			<b>22</b>	<b>10</b>	<b>11</b>	<b>0</b>	<b>44</b>		<b>87</b>	<b>2.94%</b>	
44	Busoga	Bugiri	3						3		
45		Bugweri	1	1			1		3		
46		Buyende	1						1		
47		Iganga	11	4	7	14	8		44		
48		Jinja	2	17	3	36	17		75		
49		Jinja City	1	2					3		
50		Luuka	3						3		
51		Kamuli	11			56			67		
52		Kibuku		1					1		
53		Mayuge	1						1		
54		Namayingo	2						2		
55	Namutumba					1		1			
			<b>36</b>	<b>25</b>	<b>10</b>	<b>106</b>	<b>27</b>		<b>204</b>	<b>6.90%</b>	
56	Karamoja	Abim	1						1		
57		Kaabong	2						2		
58		Karenga	1						1		
59		Kotido	12						12		
60		Moroto	7				11		18		
61		Napak	2						2		
			<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>		<b>36</b>	<b>1.22%</b>	
62	Kigezi	Kabale	15		7		12		34		
63		Kanungu	65				9		74		
64		Kisoro	10	1			1		12		
65		Rukiga	1						1		
66		Rukungiri	6						6		
			<b>97</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>22</b>		<b>127</b>	<b>4.29%</b>	
67	Lango	Amolatar	6				6		12		
68		Apac	4						4		
69		Alebtong					1		1		
70		Kwania	4						4		
71		Lira	13	3			6		22		
72		Lira City	4						4		
73		Oyam	6				1		7		
			<b>37</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>14</b>		<b>54</b>	<b>1.83%</b>	
74		Adjumani	7				1		8	0.27%	
75	Greater Kampala Metropolitan	Kampala	166	68	70	218	115		637	21.53%	
76		Buikwe	3	10		25	1		39		
77		Gomba	6			24			30		
78		Kayunga	11		1	15	16		43		
79		Mpigi	18						18		
80		Mukono	16	2	3	25	24		70		
81		Wakiso	111	20	32	41	77		281		
			<b>165</b>	<b>32</b>	<b>36</b>	<b>130</b>	<b>118</b>		<b>481</b>	<b>16.26%</b>	
82	Greater Luweero	Luweero	14	5	2		9		30		
83		Nakaseke	3				3		6		
84		Nakasongola					5		5		
			<b>17</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>17</b>		<b>41</b>	<b>1.39%</b>	

Sn	Region <sup>31</sup>	District	Number of GROW Loan Borrowers							Total	%
			Centenary Bank	DFCU Bank	Equity Bank	Finance Trust	Post Bank	Stanbic Bank			
85	Greater Masaka	Bukoman-simbi		1						1	
86		Kalangala	1			31				32	
87		Kalungu	5	1						6	
88		Kyotera	9							9	
89		Lwengo	4			9	12			25	
90		Lyantonde	3	3						6	
91		Masaka	72	4	6	16	10			108	
92		Masaka City	1							1	
93		Rakai	4							4	
94		Ssembabule	15				1			16	
			<b>114</b>	<b>9</b>	<b>6</b>	<b>56</b>	<b>23</b>		<b>208</b>	<b>7.03%</b>	
95	Greater Mubende	Kiboga	1				1		2		
96		Kyankwazi	1	1					2		
97		Mityana	31		4				35		
98		Mubende	9		1		21		31		
			<b>42</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>22</b>		<b>70</b>	<b>2.37%</b>	
99	Rwenzori	Bundibugyo	34						34		
100		Kasese	38		1		15		54		
101		Ntoroko	0				1		1		
			<b>72</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>16</b>		<b>89</b>	<b>3.01%</b>	
102	Sebei	Bukwo	1				1		2		
103		Kapchorwa	7			12	7		26		
			<b>8</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>8</b>		<b>28</b>	<b>0.95%</b>	
104	Soroti	Bukedea	2				6		8		
105		Kaberaido	5				2		7		
106		Kalaki	1						1		
107		Kapelebyong	1						1		
108		Katakwi	3						3		
109		Kumi	7			28			35		
110		Ngora	2	1					3		
111		Soroti	4	4	2		2		12		
112		Soroti City	4			14			18		
			<b>29</b>	<b>5</b>	<b>2</b>	<b>42</b>	<b>10</b>		<b>88</b>	<b>2.97%</b>	
114	Tooro	Bunyangabu					1		3		
115		Fort Portal	11		4		29		44		
116		Kabarole				14	8		22		
117		Kamwenge	3			44	38		85		
118		Kitagwenda	5						5		
119		Kyegegwa	1		1				2		
120		Kyenjojo	6				3		9		
			26	0	5	58	81	0	170	5.75%	
		<b>Totals</b>	<b>1,097</b>	<b>219</b>	<b>167</b>	<b>753</b>	<b>709</b>	<b>13</b>	<b>2,958</b>	<b>100.00%</b>	

## Annex 2: PSD Programme Interventions under the NDP III

Interventions	Actors
<b>Objective 1: Sustainably lower the costs of doing business</b>	
1. Increase access to affordable credit largely targeting MSMEs, i.e.: <ol style="list-style-type: none"> <li>Capitalise public commercial banks</li> <li>Set up a short-term development credit window for MSMEs</li> <li>Strengthen use of the e-movable chattels registry</li> <li>Adopt appropriate measures to de-risk private sector lending, particularly to the key growth opportunities</li> </ol>	MoFPED; Parliament; UDB; Post Bank; Housing Finance; Pride Microfinance; Microfinance Support Centre
2. Increase access to long-term finance, i.e.: <ol style="list-style-type: none"> <li>Capitalise and strengthen UDB with a functional MSME financing window</li> <li>Develop a Development Finance Institutions (DFIs) Policy</li> <li>Capitalise the Project Development Facilitation Fund</li> <li>Expand pension and insurance coverage to increase formal sector savings</li> </ol>	MoFPED; UDB; UDC; Parliament; Post Bank; Housing Finance; Pride Microfinance; Microfinance Support Centre
3. Mobilise alternative financing sources to finance private investment, i.e.: <ol style="list-style-type: none"> <li>Deepen and widen the capital markets</li> <li>Strengthen the legal and regulatory frameworks for private equity and venture capital</li> <li>Build private sector capacity to access green financing and green growth response</li> </ol>	MoFPED; MTIC; UDB; USE; UDC; Post Bank; CMA; UIA; NPA
4. Address non-financial factors (power, transport, ICT, business processes etc.) leading to high costs of doing business	UIA and PSFU; IRA; BoU; telecom companies; USE; MoFPED; CMA; MEMD; MoWT; MoFA; MTIC; NSSF; BoU; URBRA; MoJCA; LGs
<b>Objective 2: Strengthen the organisational and institutional capacity of the private sector to drive growth</b>	
5. Improve the management capacities of local enterprises through massive provision of Business Development Services geared towards improving firm capabilities by: <ol style="list-style-type: none"> <li>Strengthening Business Development Services centres</li> <li>Establishing a Business Development Services Framework</li> <li>Strengthening industry associations, chambers of commerce and trade unions</li> <li>Establishing national, regional and global business links for registered local enterprises</li> <li>Increased automation of business processes</li> <li>De-risking sub-county skills-based enterprise associations (<i>Emyooga</i>)</li> <li>Supporting organic bottom-up formation of cooperatives</li> </ol>	MTIC and UIA; Enterprise Uganda; PSFU; Microfinance Support Centre; UMA; UDB; USSIA; LGs; farmers' associations/cooperatives
6. Strengthening system capacities to enable and harness benefits of coordinated private sector activities, i.e.: <ol style="list-style-type: none"> <li>Establish and strengthen research and innovation facilities that are accessible to Micro, Small, and Medium Scale Enterprises (MSMEs)</li> <li>Develop product and market information systems</li> <li>Strengthen the system of incubation centres to support the growth of SMEs in strategic areas</li> <li>Establish a One-Stop Centre for business registration and licensing</li> </ol>	MTIC; UIRI; MOSTI; UNCSI; EPRC; URSB; LGs; academia; private sector; PSFU; UIA

Interventions	Actors
<b>Objective 3: Promote local content in public programmes</b>	
7. Develop and implement a holistic local content policy, legal and institutional framework	MoFPED; MTIC ; MGLSD; PPDA; UNBS; MEMD; LGs
8. Build the capacity of the local construction industry to benefit from public investments in infrastructure	MoWT; MTIC; MGLSD; PPDA; UNBS; MEMD; LGs
9. Establish a public construction company	MoFPED; MoWT; UDC; NPA
10. Develop and publicise a transparent incentive framework that supports local investors	MoFPED; MTIC; UIA
<b>Objective 4: Strengthen the role of Government in unlocking investment in strategic economic sectors</b>	
11. Undertake strategic and sustainable Government investment and promote private sector partnerships in key growth areas	MoFPED; MTIC; UDC; UIA; UFZA
12. Strengthen research and innovation capacity in support of private and public investment	MoSTI; UNCST; UIRI; academia; NPA; private sector
13. Implement regional commitments to accelerate intraregional trade	MoFPED; MTIC; MoFA
<b>Objective 5: Strengthen the enabling environment and enforcement of standards</b>	
14. Support the national conformity assessment system to attain international recognition through accreditation	MTIC; MoFPED; UNBS; UMA; URSB
15. Rationalise and harmonise standards institutions, and policies at local and regional levels	MTIC; UIA; UNBS; PSFU
16. Review of legal and regulatory frameworks to remove restrictive legislation and fast-track pending bills	Parliament; PPDA; UIA; MoJCA; UDB; UDC
17. Improve data availability on the private sector; and improve dialogue between the private sector and Government	UBOS; PSFU; NPA; MoFPED
18. Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote Local Economic Development (LED)	MoFPED; MWE; MTIC; NPA; PSFU; UDC; UMA; MoLG; LG
19. Fully service the industrial parks and increase access to them by the local private players	UIA; MoFPED; MTIC; UMA
20. Increase accessibility to export processing zones	UFZA; MTIC; UEPB; UMA; MoFPED

## Annex 3: PSD Programme Results (Outcome and Intermediate Outcome Indicators) Matrix over the NDP III Period

PSD Programme Outcome Indicator	BASELINE FY2017/18	FY2020/21 ACTUAL	FY2021/22 ACTUAL	FY2022/23 ACTUAL	FY2023/24 ACTUAL	FY2024/2025		DATA SOURCE
						TARGET	ACTUAL	
<b>PSD Programme Objective 1 : Sustainably lower the costs of doing business</b>								
<b>Outcome 1.1: Increased lending to key growth sectors</b>								
Non-commercial lending to the private sector in the key growth sectors as a % of GDP	1.5	1	1.25	1.2	0.64	3%	4%	
Share of domestic credit to key growth sectors in total private sector credit	27.3	29.2	30.2	30.2	33.5	33.8%	35% (BoU)	MoFPED (FSD)
Private sector credit as a % of GDP	13.4	15.4	12.81	17.7	22.2	27.4%	14.37%	BOU
% of SME borrowers as a share of total borrowers (Tier 1-3)	0.75 (2018)	1.55	2	2.4	2.10%	3.1%	7% (BoU)	MoFPED (FSD)
% MSMEs with outstanding credit at a formal financial service provider	9.7%-10%	9.7	10.1	10.4	20	23%	25% (BoU)	MoFPED (FSD)
<b>Outcome 1.2: Increased long-term financing to the private sector by government-owned financial institutions</b>								
Total value of outstanding long-term loans (maturity above 5 years) at DFI (UGX billions)	556.65	555	472.6	689	862.4	998	1 TRN (UDB)	MoFPED (FSD)
Total value of private equity investments by government-owned financial institutions (UDB)-UGX billions	0.225 (2018)	0.25	0.25	5.6	10.2	0.38	1 (UDB)	MFPEP (FSD)
<b>Outcome 1.3: Increased financing through capital markets</b>								
Domestic market capitalisation to GDP	4.45 (2018)	4.5	6.5	5.6	5.4%	5.1%	9.1%	CMA
Domestic market capitalisation due to new listings (UGX, trillion)	4.78	4.3	4.7	6.5	0.48	5.8%	-	CMA
CIS assets under management (in UGX trillion)	0.133	0.57	1.15	1.2	2.8	1.2%	4.8	CMA
<b>Outcome 1.4: Increased value of formal financial sector savings for private sector investment</b>								
Retirement Assets to GDP (%)	9.47(2018)	11.1	12.2	12	12.0%	19.2%	12.2%	URBRA
Deposits in supervised financial institutions to GDP (%)	17.25	18.2	18.3	18.3	29.3	29.5%	30% (BoU)	MoFPED (FSD)
Life insurance assets to GDP (%)	0.37(2018)	0.49	0.6	0.6	0.8	0.99%	0.59	MoFPED (FSD)

PSD Programme Outcome Indicator	BASELINE FY2017/18	FY2020/21 ACTUAL	FY2021/22 ACTUAL	FY2022/23 ACTUAL	FY2023/24 ACTUAL	FY2024/2025		DATA SOURCE
						TARGET	ACTUAL	
<b>Outcome 1.5: Increased access and usage of non-financial resources (certification, ICT, warehouse information system, etc.)</b>								
Number of warehouse receipt discounted at financial institutions					....	6,600		MTIC (UWR-SA)
Number of warehouse receipt traded at commodity exchanges					....	12,000		MTIC (UWR-SA)
Proportion of key business processes automated and integrated on government platforms	20					70		NITA-U
<b>PSD Programme Objective 2: Strengthen the organisational and institutional capacity of the private sector to drive growth</b>								
<b>Outcome 2.1: Improved business capacity and local entrepreneurship skills enhanced</b>								
% of businesses that accessed BDS in the past 3 years					10%	20%	15%	MTIC
Global Competitiveness Index	48.9				48.9***	55%	N/A	MoFPED (EDPR)
Global Competitiveness Index, ranking	115/140	115/141	114/141			108/141		MoFPED (EDPR)
% of businesses having a business expansion plan in place	0%	19.1	40.2	52.2	52.2%	25%		UJA/URSB
% of existing businesses expanded		45		28	28	28%	38.7%	ENTER-PRISE UGANDA
% change in annual turnover		53.8		33.5	34	30%	46.5%	ENTER-PRISE UGANDA
Average life of businesses	2	1.5		3.21	3.21	4.2%	3.9 yrs	ENTER-PRISE UGANDA
<b>Outcome 2.2: Increased membership in chambers of commerce and trade unions</b>								
% of the informal sector[1]	51.6	65	53.42	54.3	53**	45%	54.4%	MoFPED (EDPR)
Number of firms that are registered members of chambers of commerce		1,000	1,000	300	2,000	800	2,500	MTIC-UN-CCI
Number of members in trade unions		6,440,00		5,466	7,941	750,000	1,110,048	MGLSD
Value of merchandise exports (million USD)		5,274	3,837	5,466	7,941	4,973.10		MTIC-UEPB

PSD Programme Outcome Indicator	BASELINE FY2017/18	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/2025		DATA SOURCE
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	TARGET	ACTUAL	
<b>Outcome 2.4: Increased automation of business processes</b>								
Value of Ugandan products and services traded on e-platforms								NITA-U
<b>Outcome 2.5: Increased use of research and innovation instruments by the private sector</b>								
Proportion of SMEs using digital solutions for key business processes		29		25	43	42	20%	
<b>Outcome 2.6: Increased research and innovation within the private sector</b>								
% of businesses undertaking research and development activities in the past year (manufacturing, trading, small trading and services, finance)						25%		UNCST
% of innovative firms in manufacturing					0	90		UNCST
<b>Outcome 2.7: Increased access and use of market information system by the private sector</b>								
Number of firms using market information systems		3,500	3,500	5,346	5,346	6,000	5,597	UIA
<b>Outcome 2.8: Increased access and use of incubation centres by the private sector</b>								
Number of firms accessing incubation centre services		400	400	1,252	254	1,000	415	UIA
<b>Outcome 2.9: Simplified system for starting a business</b>								
Procedures to legally start and formally operate a company (number)	8				2	3	2	URSB
Time required to complete each procedure (calendar days)	4				0.1	0.1	4 hours	URSB
Cost required to complete each procedure (% of income per capita)	6					4.00%	5%	URSB
<b>PSD Programme Objective 3: Promote local content in public programmes</b>								
<b>Outcome 3.1 Increased local firms' participation in public investment programmes across sectors</b>								
Proportion of the total procurement value awarded to local contractors	30	74.3%	61%	48%	63%	80	59%	PPDA
Proportion of jobs taken on by Ugandans in foreign-owned enterprises						15		PPDA
The proportion of Ugandan goods and services utilised by foreign firms in public projects						40	18.3%	PPDA

PSD Programme Outcome Indicator	BASELINE FY2017/18	FY2020/21 ACTUAL	FY2021/22 ACTUAL	FY2022/23 ACTUAL	FY2023/24 ACTUAL	FY2024/2025		DATA SOURCE
						TARGET	ACTUAL	
<b>PSD Programme Objective 4: Strengthen the role of Government in unlocking investment in strategic economic sectors</b>								
<b>Outcome 4.1: Regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas</b>								
Number of private investments by UDC	10	10	13	4	2	12	18	UDC
Total private sector investments facilitated by PPP arrangements	-	-	6	1	37	10	18	UDC
% of MSMEs utilising the services of Research and innovation facilities		10	10	25.2	15	20	26	UTA
<b>PSD Programme Objective 5: Strengthen the enabling environment and enforcement of standards</b>								
<b>Outcome 5.1: Standards developed and/or enforced</b>								
Annual change in products certified by UNBS (%)	24			16%	1.3%	10	15.2%	UNBS
Number of certified products accessing foreign markets	259			4,942	5,980	6000	5,703	UNBS
Number of counterfeits/sub-standard goods tracked and destroyed (No. of seizures)	252			655	653	1200	<b>1,264,896.92**</b>	UNBS
<b>Outcome 5.2: Increased accessibility to serviced industrial parks</b>								
No. of businesses using the industrial parks	400	132	212	470	470	254	674	UTA
<b>Outcome 5.3: Increased accessibility to export processing zones</b>								
Number of firms accessing the export free zones		27	31	35	41	40		UFZA
<b>Outcome 5.4: Adequate legal and regulatory frameworks in place, that remove restrictions</b>								
Legal and regulatory framework in place, that remove restrictions	3					3		
<b>Outcome 5.5: Increased formalisation of businesses</b>								
Proportion of total businesses operating in the informal sector					20	28		MTIC
% change in taxpayer register		11.9	46.79		33.7%	15%		URA
% contribution of informal sector to GDP		53.6	53.5	54.3	53	60%	54.3%	UBOS
<b>Outcome 5.6: Improved availability of private sector data</b>								
Number of data requests to the MSME database					200	400	47	MTIC
Number of reports and policy briefs developed		4	5	5	24*	75		MoFPED (EDPR)
<b>Outcome 5.7: Adequate system for private sector complaints resolution in place</b>								
% of private sector complaints resolved		80	74	74	12.5%	55		TAT

## Annex 4: Summary of the Key Programme Institutions' Contribution to the Implementation of the PSD Programme

1. **Ministry of Finance, Planning and Economic Development (MoFPED):** The mandate of MoFPED is to formulate policies that enhance stability and development; mobilise local and external financial resources for public expenditure; regulate financial management and ensure efficiency in public expenditure; and oversee national planning and strategic development initiatives for economic growth. MoFPED is the lead Ministry for the PSD Programme and contributes to all the PSD Programme objectives directly and indirectly.
2. **Ministry of Trade, Industry and Cooperatives (MTIC):** MTIC is mandated by the Constitution of the Republic of Uganda (1995 – Article 189, Sixth Schedule Sections 11, 12, 13, 20, 23, 25 and 29) to “formulate, review and support policies, strategies, plans and programmes that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialisation, appropriate technology development and transfer to generate wealth for poverty eradication and benefit the country socially and economically.” It envisages the development and promotion of a competitive and export-led private sector through accelerating industrial development for inclusive economic growth.  
  
MTIC contributes to four PSD Programme objectives, i.e., strengthening the organisational and institutional capacity of the private sector to drive growth; strengthening the role of Government in unlocking investment in strategic economic sectors; promoting local content in public programmes; through these specific interventions; increased research and innovation within the private sector; improved business capacity and local entrepreneurship skills enhanced; strengthened linkages to regional and global markets; and increased formalisation of businesses.
3. **Capital Markets Authority (CMA):** The CMA is mandated by the Capital Markets Authority (Amendment) Act 2016 to, among others, approve prospectuses and other offering documents under which securities are offered to the public and to approve the information memorandum; and develop all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for, long-term investments in productive enterprises. The CMA contributes to the first PSD Programme objective of sustainably lowering the costs of doing business through increased financing through capital markets as alternative financing sources.
4. **Uganda Retirement Benefits Regulatory Authority (URBRA):** URBRA is mandated by the Uganda Retirement Benefits Regulatory Authority Act 2011 to, among others, regulate and supervise the establishment, management and operation of retirement benefits schemes in Uganda, in both the public and private sectors. In view of the PSD Programme, URBRA contributes to the first objective of sustainably lowering the costs of doing business through increasing the value of formal financial sector savings for private sector investment. With adequate sensitisation and dialogue, these savings can provide alternative financing through Collective Investment Schemes, among others.
5. **Bank of Uganda (BoU):** The BoU is mandated by the Bank of Uganda Act 2000 to formulate and implement monetary policy directed to the economic objectives of achieving and maintaining economic stability. The bank's role in the PSD Programme directly impacts on the first objective of sustainably lowering the costs of doing business through regulating interest rates to facilitate credit flow.
6. **Uganda Development Bank Limited (UDBL):** UDBL is a public enterprise wholly owned by the Government of Uganda and carries on business as a Development Finance Institution (DFI). The bank, a successor company to Uganda Development Bank, was incorporated as a limited liability company under the Public Enterprises Reform and Divestiture Act, Cap. 98, Laws of Uganda, and it is mandated to finance enterprises in key growth sectors of the economy. UDBL supports the first

objective of sustainably lowering the costs of doing business by channelling long-term financing to the private sector.

7. **Uganda Development Corporation (UDC):** UDC was initially established by an Act of Parliament, Cap.326, of the Laws of Uganda to facilitate the industrial and economic development of Uganda. UDC contributes to the fourth PSD Programme objective of strengthening the role of Government in unlocking investment in strategic economic sectors, specifically with an outcome of regionally balanced key strategic public investments planned and developed to spur private investment in key growth areas.
8. **Insurance Regulatory Authority (IRA):** IRA is the supervisor and regulator of the insurance industry in Uganda and was established under the Insurance Act (Cap. 213), Laws of Uganda, 2000 (as amended), with the main objective of “ensuring Effective Administration, Supervision, Regulation and Control of the business of insurance in Uganda”. IRA contributes to the first objective of sustainably lowering the costs of doing business through increasing insurance penetration.
9. **Uganda Investment Authority (UIA):** UIA was set up under the Investment Code 1991 and its continuity upheld by the Investment Code Act 2019, as a statutory agency mandated to coordinate, encourage, promote and facilitate investment in Uganda, as well as advise Government on investment policy and related matters. It is a semi-autonomous government agency which mainly (a) promotes, attracts, advocates, facilitates, registers, monitors and evaluates the development of all forms of investment and business activities in Uganda; (b) promotes and encourages investment in new technologies, skills upgrading, automation, training, research and product development; (c) establishes and manages a one-stop centre; (d) publishes and makes available periodical reports on the state of investment in the country; (e) assesses for matters of incentives and utilisation of local resources and services by the investments; and (f) does any other act conducive or incidental to the foregoing.

UIA contributes to three PSD Programme objectives of sustainably lowering the costs of doing business; strengthening the role of Government in unlocking investment in strategic economic sectors; and strengthening the organisational and institutional capacity of the private sector to drive growth.

10. **Private Sector Foundation Uganda (PSFU):** The PSFU is Uganda’s apex body for the private sector. It is made up of over 200 business associations, corporate bodies and the major public sector agencies that support private sector growth. Since its founding in 1995, the PSFU has served as a focal point for private sector advocacy as well as capacity building and continues to sustain a positive policy dialogue with Government on behalf of the private sector. The mandate of the PSFU covers carrying out policy research and advocacy on behalf of the private sector; providing a forum for the discussion of policy issues, and the impact of those policies on the private sector in Uganda; maintaining a dialogue with Government on behalf of the private sector; and undertaking capacity building for the private sector through training and the provision of Business Development Services.

The foundation, therefore, advocates for and represents the private sector interests in the determination and pursuit of the PSD Programme objectives.

11. **Economic Policy Research Centre (EPRC):** The EPRC is Uganda’s leading think tank in economics and development policy-oriented research and policy analysis. The EPRC was established in 1993 as an autonomous not-for-profit organisation limited by guarantee to fill fundamental voids in economic research, policy analysis, and capacity building for effective in-country contributions to Uganda’s policy processes. The EPRC mainly contributes to the objective of strengthening the role of Government in unlocking key growth sectors; conducting research on key issues affecting private sector growth; and strengthening research and innovation for Micro, Small, and Medium Scale Enterprises (MSMEs).

## 12. **Uganda National Bureau of Standards**

**(UNBS):** UNBS was established as a semi-autonomous body by an Act of Parliament in 1983 mandated to develop and promote standardisation; quality assurance; laboratory testing; and metrology to enhance the competitiveness of local industry, to strengthen Uganda's economy and promote quality, safety and fair trade. The UNBS services to the public are both regulatory and supportive to trade in nature. They are regulatory as far as ensuring of fairness in trade and protection of the consumers against substandard, shoddy, and hazardous products is concerned; and are supportive to trade through the development and implementation of standards for the various sectors of the economy, and carrying out conformity assessments of products with standards.

UNBS supports the PSD Programme objective of strengthening the enabling environment and enforcement of standards through supporting the national conformity assessment system to attain international recognition through accreditation and rationalising and harmonising standards institutions, and policies at local and regional levels.

## 13. **Uganda Registration Services Bureau**

**(URSB):** URSB is a semi-autonomous government agency established by an Act of Parliament in 1998. It is responsible for civil registrations (including marriages and divorces but not including births, adoptions, or deaths), business registrations (set-ups and liquidations), registration of patents and intellectual property rights, and any other registrations required by law. URSB contributes to the PSD Programme objectives of sustainably lowering the costs of doing business; and strengthening the organisational and institutional capacity of the private sector to drive growth. The bureau is expected to lower the non-financial costs of doing business through easing/computerising the registration and insolvency processes as well as lowering the financial costs by enhancing access to affordable credit by strengthening the use of the Security Interest in Movable Property Registry System (SIMPRS), and simplifying systems for starting a business.

## 14. **Uganda Free Zones Authority (UFZA):**

The UFZA is a statutory body established by the Free Zones Act 2014, for the

purpose of creating opportunities for export-oriented investment and job creation. It is mandated to develop, manage, market, maintain, supervise and control Free Zones. UFZA contributes to two PSD Programme objectives, which include strengthening the organisational and institutional capacity of the private sector to drive growth; and promoting local content in public programmes. This is done through promoting the backward-and-forward linkages between SMEs, business associations and Free Zones to access regional and international markets, and mainstreaming and implementing local content in Free Zones, respectively.

## 15. **National Planning Authority (NPA):**

The NPA was created by the Ugandan Parliament in 2002, for purposes of coordinating development planning in the entire country, and to advise the Executive on the best policies and strategies for the development of the country. The NPA contributes to the PSD objective of strengthening the role of Government in unlocking investment in strategic economic sectors through undertaking economic evaluation of public projects and programmes in collaboration with the private sector. This enables the Government to undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas.

## 16. **Uganda Industrial Research Institute**

**(UIRI):** UIRI was established as a parastatal company by an Act of Parliament in 2003. UIRI is mandated to carry out scientific and industrial research, develop competitive technical services, and improve the capacity and competence of indigenous entrepreneurs to embark on sustainable industrial production, and to produce high-quality marketable products, for the benefit of Uganda's citizens.

UIRI supports the PSD Programme objective of strengthening the organisational and institutional capacity of the private sector to drive growth through establishing and strengthening research and innovation for MSMEs. This is done through strengthening applied research for development of value-added products; expanding/scaling up the provision of industrial production infrastructure and facilities in all regions; developing electronic and automated solutions for utilisation by various sectors; developing

partnerships with the private sector to conduct research on key issues affecting private sector growth; and operationalising the Machining and Manufacturing Production and Training Centre for Industrial Skills Capacity Training.

#### 17. **Uganda Export Promotion Board (UEPB):**

The UEPB is a public trade promotion organisation established by Parliamentary Statute No. 2 of 1996. The UEPB is mandated to facilitate the development and growth of export trade in Uganda. It contributes to the PSD Programme objective of strengthening the enabling environment and enforcement of standards. The Board is directly responsible for undertaking detailed market studies in priority export markets to inform business development and the investment strategy of emerging enterprises, especially in Export Promotion Zones (EPZs); providing information, advisory and support services to develop export marketing capabilities (export readiness); collaborating with manufacturers and exporters to develop Uganda's export markets for target products (market studies, promotion and branding campaigns, buyer-seller networking etc.); and linking export-ready EPZ operators (manufacturers/exporters) to foreign buyers.

18. **Enterprise Uganda:** Enterprise Uganda Foundation Limited is a public-private institution designed to support the Government in realising its objective of promoting the development of Small and Medium Scale Enterprises (SMEs) to become the main vehicle for expanding production, providing sustainable jobs and enhancing economic growth. In fulfilling its mandate, Enterprise Uganda plays a critical role in contributing to the achievement of the PSD Programme objective of strengthening the organisational and institutional capacity of the private sector to drive growth, through massive provision of Business Development Services (BDS) geared towards improving firm capabilities.

19. **Uganda National Council for Science and Technology (UNCST):** UNCST derives its mandate from the UNCST Act 1990, Cap. 209 to develop and implement ways of incorporating science and technology into the national development process. Its strategic goals are to improve or streamline the national science and technology policy environment to foster scientific and technological innovation; strengthen

the national system for research, product development, technology transfer and intellectual property management; increase public understanding and appreciation of science and technology; and strengthen the UNCST institutional research base and technical capacity.

The Council directly enables the PSD Programme objective of strengthening the organisational and institutional capacity of the private sector to drive growth by establishing and strengthening research and innovation for MSMEs through undertaking start-up business mentorships and seminars; supporting business enterprises to mine and exploit scientific intellectual property rights; and establishing and implementing research on private sector issues.

#### 20. **Public Procurement and Disposal of Public Assets Authority (PPDA):**

The PPDA derives its mandate from the PPDA Act 2003 and is responsible for ensuring the application of fair, competitive, transparent, non-discriminatory and value-for-money public procurement and disposal standards and practices; harmonisation of procurement and disposal policies, systems and practices of the Central Government, Local Governments and statutory bodies; setting standards for the public procurement and disposal systems in Uganda; monitoring compliance by procuring and disposing entities; and building procurement and disposal capacity in Uganda.

The PPDA is expected to promote local content in public programmes through developing and implementing a holistic local content policy, legal and institutional framework, as well as monitoring and enforcing the implementation of the guidelines on preference and reservation schemes.

#### 21. **Ministry of Foreign Affairs (MoFA):**

MoFA is responsible for the implementation and management of Uganda's Foreign Policy. In delivering its institutional strategy, MoFA is expected to, among other functions, facilitate the promotion of trade and tourism, as well as the attraction of investment and transfer of technology. This function directly contributes to the PSD Programme objective of strengthening the role of Government in unlocking investment in strategic economic sectors, mainly through promoting private sector partnerships in key growth areas through marketing Uganda's investment opportunities abroad.

Annex 5: Performance of operational investments by UDC:

Investee Company	Location (Sub-region & District)	Year of Investment or Start of Operations	Amount Invested by UDC (UGX Billion)	UDC's Ordinary Shares	Direct Jobs	Export Earnings/ Import Savings (Million USD)	Taxes (Annual Payments in Million UGX)
<b>AGRO-INDUSTRIES</b>							
1	Kigezi Highland Tea Factory Limited (Processes green leaf into black made tea)	2018	9.243	Lease Finance	247	4.3	
2	Kayonza Growers' Tea Factory Limited (Processes green leaf into black made tea)	2019	4.358	Lease Finance	398	4.48	
3	Mabale Growers' Tea Factory (Processes green leaf into black made tea)	2019	13.62	48.5%	307	1.56	221.40
4	Mpanga Growers' Tea Factory (Processes green leaf into black made tea)	2021	10.725	31.9%	330	1.24	646.60
5	Soroti Fruits Limited (Processes mangoes and oranges into puree/ concentrate & ready-to-drink juice)	2020	42.316	80%	97	0.568	632.87
6	Mutuma Commercial Agencies (Processes seed cotton into absorbent cotton wool)	2020	4.5	36%	136	0.333	41.17
7	Bukona Agro-Processors Ltd (Processes cassava, sorghum, maize etc. into denatured ethanol)	2021	17.457	40.5%	194	1.653	41.99
8	Budadiri Arabica Coffee Mills (Coffee processing)	2023	8.12	32%	3	-	
9	Atiak Sugar Factory Limited	2020	481.51	40%	543	-	
10	Nilezilla Limited (Processes mangoes into puree)	2024	9.8	39%	8	-	
11	Fine Spinners Uganda Ltd	2024	27.9	16.56	-	-	-
12	Sanga Vet Chem Ltd	2024	9.0	9.9%	-	-	-

Investee Company	Location (Sub-region & District)	Year of Investment or Start of Operations	Amount Invested by UDC (UGX Billion)	UDC's Ordinary Shares	Direct Jobs	Export Earnings/ Import Savings (Million USD)	Taxes (Annual Payments in Million UGX)
<b>INFRASTRUCTURE &amp; SERVICES</b>							
13	Kalangala Infrastructure Services Ltd ( <i>Ferry transport, power and treated piped water services</i> )	2012	16.877	45.7%	67	-	1,599.10
14	Abubaker Technical Services & General Supplies Limited ( <i>Road construction – upgrading &amp; rehabilitation</i> )	2023	66	15%	530	-	16,949.01
15	East African Medical Vitals ( <i>Produces medical gloves</i> )	2023	21.34	6.49%	207	8.0	
16	Speke Resort Convention Centre	2023	38.045	50%	250		
17	Munyonyo Commonwealth Resort	2021	15.061	25%	304	-	12.48 (VAT)
18	Nile Hotel Limited	2020	232.046 (asset value)	100%	343	-	14.20
<b>TOTAL</b>					<b>3,964</b>	<b>22.134</b>	<b>20,440.93</b>





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