PRIVATE SECTOR DEVELOPMENT PROGRAMME

Annual Budget Monitoring Report

Financial Year 2022/23

October 2023

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
https://www.finance.go.ug/

MOFPED#DoingMore

PRIVATE SECTOR DEVELOPMENT PROGRAMME

Annual Budget Monitoring Report

Financial Year 2022/23

October 2023

MOFPED#DoingMore

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
BDS	Business Development Services
BMAU	Budget Monitoring and Accountability Unit
BoU	Bank of Uganda
CEDP	Competitiveness and Enterprise Development Project
COVID-19	Coronavirus Disease 2019
DLG	District Local Government
EPRC	Economic Policy & Research Centre
IBP	Industrial and Business Park
IFMS	Integrated Financial Management System
IRA	Insurance Regulatory Authority
ISO	International Standards Organisation
KIBP	Kampala Industrial and Business Park
MSMEs	Micro Small and Medium Enterprises
MSC	Microfinance Support Centre Limited
MDAs	Ministry, Department and Agencies
MFPED	Ministry of Finance, Planning and Economic Development
MTIC	Ministry of Trade, Industry and Cooperatives
MTLIMS	Metrology Laboratory Information System
MPS	Ministry of Public Service
NDP	National Development Plan
NEMA	National Environment Management Authority
OSBP	One Stop Border Post
PDM	Parish Development Model
PIRT	Presidential Investors Round Table
PSD	Private Sector Development
PSFU	Private Sector Foundation Uganda
PPDA	Public Procurement and Disposal of Assets Authority
SACCO	Savings and Credit Cooperative
SBRF	Small Business Recovery Fund

SDF	Skills Development Facility
SMEs	Small and Medium Enterprises
UDB	Uganda Development Bank
UEPB	Uganda Export Promotions Board
UFZA	Uganda Free Zones Authority
UHTTI	Uganda Hotel and Tourism Training Institute
UIRI	Uganda Industrial Research Institute
UIA	Uganda Investment Authority
UKEF	United Kingdom Export Finance
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
URBRA	Uganda Retirements Benefits Regulatory Authority
USADF	United States African Development Foundation
USD	United States Dollar
UWRSA	Uganda Warehouse Receipt System Authority
UWRTI	Uganda Wildlife Research and Training Institute

FOREWORD

With a strategic focus on the theme for Financial Year 2022/23, "Full Monetization of the Ugandan Economy through Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access," the Government of Uganda has focused on the allocation of resources to strategic interventions which reflect a strong drive and dedication towards sustainable economic growth for the people of Uganda.

The findings from this year's annual monitoring exercise reveal commendable strides in the programme operations, however, the challenges we face in the pursuit of economic transformation are evident. Limited resources demand service delivery efficiency, thus the urgent need for strategic reforms if we are to reap the development dividends of our investments.

A recent project review in some programmes revealed ineffective usage of loans and counterpart funding. This raises concerns about potential funding losses and increased costs. I urge all the implementing agencies to ensure that adjustments in planning, financial monitoring and analysis, coupled with prudent management are undertaken immediately. Let us seize this moment to build a more prosperous and sustainable Uganda for generations to come.

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

EXECUTIVE SUMMARY

The goal of the Private Sector Development (PSD) Programme is to increase the competitiveness of the private sector to drive sustainable inclusive growth. The key expected results include: reduced informal sector; increased non-commercial lending to the private sector in key growth sectors; increased proportion of public contracts and sub-contracts awarded to local firms; and increased value of exports.

The Private Sector Development (PSD) Programme interventions are coordinated by the Ministry of Finance, Planning and Economic Development (MFPED), with complementary roles from Ministry of Trade, Industry and Cooperatives (MoTIC), Public Procurement and Disposal of Assets Authority (PPDA), Uganda National Bureau of Standards (UNBS), Uganda Investment Authority (UIA), Uganda Free Zones Authority (UFZA), and Uganda Export Promotion Board (UEPB) among others.

This report provides budget monitoring findings for the period 1st July 2022 to 30th June 2023 detailing the performance of the planned interventions under the two sub-programmes - Enabling Environment; and Institutional and Organizational Capacity.

Overall Performance

The Private Sector Development Programme output performance for the Financial Year (FY) 2022/23 was good at 74%. The performance of the Private Sector Institutional and Organizational Capacity; and Enabling Environment Sub-programmes was good at 75.4% and 72.5% respectively.

The approved budget for the PSD Programme was Ug shs 1,576.29 billion (bn) which was revised upwards to ug shs 1,576.54bn. A total of Ug shs 1,548.59bn (97.7%) was released and Ug shs 1,541.738bn (99.9%) spent by 30th June 2023. The release and expenditure performance were very good. The Enabling Environment Sub-programme took the largest share of the budget at 89% compared to the Private Sector Institutional and Organizational Capacity. The MFPED had the biggest share of the programme budget at 91.1%. The UNBS had the highest release at 110% of its approved budget, whereas the UEPB had the lowest release (53%).

Enabling Environment Sub-programme

The sub-programme physical performance was good at 75.4%. The MoTIC with funding from the Great Lakes Trade Facilitation Project completed and commissioned the Mpondwe Border Market and One Stop Border Post (OSBP). The third bi-annual private sector Chief Executive Officers' (CEO) Forum was held and the second National Strategy for Private Sector Development launched.

The UNBS conducted 4,537 market inspections against a target of 9,000 leading to the seizure of 655 counterfeits and substandard goods, calibrated 5,678 industrial equipment against a target of 6,600, and verified 331,226 equipment used in trade against a target of 1,255,918. Additionally, 272 standards were developed against a target of 600. The MoTIC through the African Growth and Opportunity Act (AGOA) conducted fact-finding missions to stakeholders in Eastern and Northern Uganda on the declined volume of produce which was attributed to the COVID-19 effects.

To increase access to affordable credit targeting micro, small and medium enterprises (MSMEs), the Microfinance Support Centre (MSC) disbursed Ug shs 1,058.125bn to 10,585 Parish Development

Model Saving and Credit Cooperative Organisations (PDM/SACCOs) as Parish Revolving Funds for the FY2022/23. A total of 38 SACCOs were digitized against a target of 20. A cumulative Ug shs 261.63bn was disbursed for both initial seed capital and additional seed capital to 6,766 and 436 *Emyooga* SACCOs. A total of 35 *Emyooga* SACCOs were digitized. The Microfinance Policy, and drafting of the 2nd National Financial Inclusion Strategy commenced.

A total of 899 applications for the Small Business Recovery Fund (SBRF) worth Ug shs 10.485bn were approved by the Bank of Uganda through seven participating financial institutions (PFIs). Opportunity Bank had the highest number of beneficiaries (735) with the amount loaned out at Ug shs 5.977bn. The central region was the biggest beneficiary with 647 beneficiaries receiving Ug shs 7.869bn and the northern region had the least number of approved loans, however, the general uptake of the SBRF was still low attributed to limited information, demand for collateral and lack of cooperation from participating financial institution.

Enterprise Uganda finalized and launched the National Business Development Services (BDS) Framework, and also developed and tested an Entrepreneurship Training Workshop (ETW) online tool that processes applications for entrepreneurship training. The BDS through entrepreneurship and business management trainings was provided to 23,193 beneficiaries against a target of 20,000. The construction of the National Business Development Services Centre (NBDSC) in Butabika was ongoing, but behind schedule with the physical progress at 36% against 65%-time progress and 28.31% financial progress.

The United States African Development Foundation (USADF) extended grants to five additional farmer organizations out of the planned 12 during the period under review and were at varying levels of progress. The previously supported cooperatives/organizations created and sustained 1,383 jobs, increased sales and income at varying levels and some were able to export their products. There was slow progress with onboarding the remaining seven grantees due to inadequate Government of Uganda (GoU) counterpart budget and limited manpower at the USADF office in Washington DC.

Infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve was at 39% against the target of 86% with key progress observed on road construction. The KIBP progress was poor attributed to the delayed approval and finalization of sites for three components (waste and solid water treatment plants, and an SME park) which contribute 30% of the project scope, resulting in a lost time of 13 months. The project was at risk of cost overruns given the fast-approaching loan disbursement deadline. There were no maintenance works on other parks due to funding shortages. A consultant was engaged by the UIA to undertake feasibility and pre-feasibility studies for new parks in northern and western Uganda.

The Uganda Free Zones Authority licensed four new free zones against a target of 20 and supported 25 free zone developers/operators to automate the Uganda Single Electronic Window against a target of 35. Overall, 16 free zones out of 31 (52%) were licensed on the Uganda Electronic Single Window. The free zones generated 4% of exports against an annual target of 20% of Uganda's exports. Construction of the Entebbe International Airport Free Zone was ongoing at 63% physical progress against 69% target and time progress; civil works were behind schedule.

Under the PPDA, the proportion of contracts by value a warded to local contractors/suppliers stood at 74% exceeding the annual target of 70%. This translated into Ug shs 2,964,123,815,004 by the end of the FY2022/23. The Ministry of Tourism, Wildlife and Antiquities held regional stakeholder consultations to review and harmonise the tourism licensing and taxation framework.

Private Sector Institutional and Organizational Capacity Sub-programme

The sub-programme performance was good at 87.2% against a financial performance of 96%. The MoTIC finalized the development of the Grain Trade Policy Implementation Strategy and the National MSMEs Implementation Strategy. The finalization of the Consumer Protection Bill awaited final engagements with the Ministry of Justice and Constitutional Affairs (MoJCA), and the Competition Bill was passed by Parliament awaiting the President's assent. Additionally, the draft licensing rates and trading area grades were developed for the new Cities. The MSMEs were trained in making business plans, financial literacy and resource mobilisation. The Buy Uganda Build Uganda (BUBU) exhibition was not undertaken due to a funding shortage.

The UNBS maintained accreditation of the Microbiology and Chemistry laboratory and a total of 25,287 samples were tested in the Bureau's testing laboratories against a target of 28,800.

The UEPB conducted an export readiness self-checker, upgraded the online Export Readiness Tool to make it user-friendly and developed an export/international trade training manual. Ten (10) export-ready companies against a target of 35 were supported to participate in the ANUGA Trade Expo in Germany. The UEPB also participated in two conventions – an Export and Investment Summit in Chicago, and a business Forum in South Africa, and several local exhibitions.

The civil works for the construction of an additional 30-room floor at the Uganda Hotel and Tourism Training Institute (UHTTI) Jinja was at 68% physical progress with assorted laundry equipment delivered and a contract for supply and delivery of kitchen and bar equipment signed. The design and implementation of the Tourism Information Management Systems was ongoing. The Meetings, Incentives, Conferences and Events (MICE) Uganda Bureau was established, however, procurement of consultancy services to operationalize it was at the contract stage. The procurement of consultancy services for the infrastructural design development and review for Uganda Wildlife Research and Training Institute (UWRTI) was ongoing, Uganda Museum (UM) was at contract signing, and Uganda Wildlife Education Centre (UWEC) was awaiting contracts committee review and clearance.

Conclusion

The overall PSD Programme output performance was good at 74%. However, most of the infrastructure development-related outputs progressed slowly during the period under review. The Institutional and Capacity Development Sub-programme performed better at 75.4% compared to the Enabling Environment Sub-programme at 72.5%. The overall outcome indicator performance was fair.

The interventions related to the provision of investment information and systems set up such as One Stop Centre (OSC) and E-BIZ platforms for access to investment information registered good performance. The performance of the intervention related to the development of relevant infrastructure for private sector growth was fair and infrastructure development under the Competitiveness and Enterprise Development Project (CEDP) was behind schedule.

The development of policies, strategies, regulations and laws streamlining business processes, procedures and systems was not finalised. The utilization/uptake of funds under the PDM Financial Inclusion Pillar and Small Business Recovery Fund (SBRF) was still low due to stringent guidelines and low awareness about the funds respectively.

Delays in the provision of physical infrastructure such as serviced industrial parks and the export processing zone that promote production and systems that quicken and smoothen business processes are likely to increase the cost of doing business and thus impact the attainment of some of the objectives under the third National Development Plan (NDPIII) for the PSD Programme. The UIA could not achieve the majority of its outputs owing to inadequate manpower with almost half of the positions not filled.

Recommendations

1. The MoTIC should expedite the finalisation of policies, laws and regulations related to streamlining business processes and systems to ease the process of doing business in Uganda.
2. The Bank of Uganda through the PFIs should popularise the availability of the SBRF to increase uptake of the Fund and facilitate business recovery to increase the uptake of funds.
3. The UIA should expedite the process of approving the alternative land for the waste treatment plant and SME Park for the KIBP Infrastructure Development Project to avoid further delays and cost overruns.

CHAPTER 1: INTRODUCTION

1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is, "*To formulate sound economic policies, maximize revenue mobilization, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and* sustainable economic growth and development."

The MFPED through its Budget Monitoring and Accountability Unit (BMAU) tracks the implementation of programmes/projects by observing how values of different financial and physical indicators change over time against stated goals and indicators. The BMAU work is aligned with budget execution, accountability, and service delivery.

Commencing FY 2021/22, the BMAU began undertaking Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs)/ Ministerial Policy Statements. Semi-annual and annual field monitoring of Government programmes and projects was undertaken to verify receipt and expenditure of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved, and the level of gender and equity compliance in the budget execution processes. The monitoring also reviewed the level of cohesion between sub-programmes and noted implementation challenges.

The monitoring covered the following Programmes: Agro-Industrialization; Community Mobilisation and Mindset Change; Digital Transformation; Human Capital Development; Innovation, Technology Development and Transfer; Integrated Transport Infrastructure and Services; Manufacturing; Mineral Development; Natural Resources, Environment, Climate Change, Land and Water Management; Public Sector Transformation; Private Sector Development; Sustainable Development of Petroleum Resources; and Sustainable Energy Development.

This report presents findings from monitoring of the Private Sector Development (PSD) Programme for the budget execution period July 2022 to June 2023.

1.2 Programme Goal and Objectives

The goal of the PSD Programme is to *increase the competitiveness of the private sector to drive sustainable inclusive growth.* The PSD Programme's key objectives are to:

i. Sustainably lower the costs of doing business.
ii. Promote local content in public programmes.
iii. Strengthen the enabling environment and enforcement of standards.
iv. Strengthen the role of government in unlocking investment in strategic economic sectors.
v. Strengthen the organisational and institutional capacity of the private sector to drive growth.

1.3 Sub-programmes

The Private Sector Development Programme is implemented through the following sub-programmes:

i. Enabling Environment
ii. Private Sector Institutional and Organizational Capacity

1.4 Programme Outcome Result Areas

The key results to be achieved under the programme over the five years of the NDP III are:

i. Reduce the informal sector from 51 percent in 2018/19 to 45 percent in 2024/25.

ii. Increase non-commercial lending to the private sector in key growth sectors, from 1.5 percent in FY 2018/19 to 3 percent of gross domestic product (GDP).

iii. Increase the proportion of public contracts and sub-contracts that are awarded to local firms, from 30 percent to 80 percent.

iv. Increase the value of exports from USD 3,450.7 million in FY2017/18 to USD 4,973 million.

CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report is based on interventions under the PSD Programme implemented during FY 2022/23 (1st July 2022-30th June 2023). The monitoring involved analysis and tracking of inputs, activities, processes and outputs as identified in the Programme Implementation Action Plans (PIAPs), Ministerial Policy Statements (MPSs), and annual and quarterly work plans, progress and performance reports of Ministries, Departments, Agencies and Local Governments (MDA) and Local Governments (LGs).

A total of 12 (80%) out of 15 interventions under the PSD Programme Implementation Action Plan were monitored (Annex 1: Interventions Monitored).

The selection of interventions to monitor was based on the following criteria:

i. Significant contribution to the programme objectives and national priorities.

ii. Level of investment, interventions that had large volume of funds allocated were prioritized.

iii. Planned outputs whose implementation commenced in the year of review, whether directly financed or not. In some instances, multiyear investments or rolled-over interventions were prioritized.

iv. Interventions that had clearly articulated gender and equity commitments in the policy documents

v. Completed projects to assess beneficiary satisfaction, value for money and intermediate outcomes.

2.2 Approach and Methods

Both qualitative and quantitative methods were used in the monitoring exercise. The physical performance of interventions, planned outputs and intermediate outcomes were assessed through monitoring a range of indicators. The progress reported was linked to the reported expenditure and physical performance.

A combination of random and purposive sampling was used in selecting sub-interventions and outputs from the PIAPs, MPSs and progress reports of the respective MDA and LGs for monitoring.

To aid in mapping PIAP interventions against annual planned targets stated in the Vote MPS and quarterly work plans, a multi-stage sampling was undertaken at four levels: i) Sub-programmes ii) Sub-sub-programmes iii) Local governments, and iv) Project beneficiaries. The selection of districts and facilities considered regional representativeness.

2.3 Data Collection and Analysis

Data collection

The monitoring team employed both primary and secondary data collection methods. Secondary data collection methods included:

i) Literature review from key policy documents including, MPS FY 2022/2023; National and Programme Budget Framework Papers; A Handbook for Implementation of NDPIII Gender and Equity Commitments, PIAPs, third National Development Plan (NDP III), quarterly progress reports and work plans for the respective implementing agencies, quarterly performance reports, the Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, project reports, strategic plans, policy documents, aide memoires and evaluation reports for selected programmes/projects.

ii) Review and analysis of data from the Integrated Financial Management System (IFMS), Programme Budgeting System (PBS), and bank statements from some implementing agencies.

Primary data collection methods on the other hand included:

1. Consultations and key informant interviews with institutional heads, and project/intervention managers.
2. Field visits to various districts, for primary data collection, from household heads, and service beneficiaries, observation and photography.
3. Call-backs in some cases were made to triangulate information.

Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Qualitative data was examined and classified in terms of constructs, themes or patterns to explain events among the beneficiaries (interpretation analysis) and reflective analysis where the monitoring teams provided an objective interpretation of the field events. Quantitative data on the other hand was analyzed using advanced Excel tools that aided interpretation.

Comparative analyses were done using percentages and averages of the outputs/interventions; intermediate outcome indicators and the overall scores. Performance of outputs/interventions was rated in percentages according to the level of achievement against the annual targets. The sub-programme score was determined as the weighted aggregate of the average percentage ratings for the outputs. The overall programme performance is an average of individual sub-programme scores assessed. The performance of the programme and sub-programme was rated based on the criterion in Table 2.1.

Based on the rating assigned, a colour-coded system was used to alert the policymakers and implementers on whether the interventions were achieved or not. The coded system was defined as: very good performance (green), good (yellow), fair (light gold) and poor (red). Financial performance was assessed based on the overall utilization of funds (expenditure) against release.

Table 2.1: Assessment Guide Measure Performance in FY 2022/23

Score	Comment	Performance Rating
90% and above	Very Good (Achieved at least 90% of outputs and outcomes)	
70%-89%	Good (Achieved at least 70% of outputs and outcomes)	
50%- 69%	Fair (Achieved at least 50% of outputs and outcomes)	
49% and below	Poor (Achieved below 50% of outputs and outcomes)	

Source: Author's Compilation

2.4 Limitations

i) Lack of disaggregated financial information for some outputs that contribute to several interventions.

ii) Lack of real-time financial data on donor financing as this aspect is not accessible on the IFMS.

iii) Unreliable data on outcome indicators to assess programme outcome performance

2.5 Structure of the Report

The report is structured into four chapters. These are: Introduction, Methodology, Programme performance, and Conclusion and Recommendations respectively.

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

The Private Sector Development Programme output performance was good at 74%. The performance of the Private Sector Institutional and Organizational Capacity and Enabling Environment Sub-programmes was good at 75.4% and 72.5% respectively (Table 3.1). The intervention related to the creation of appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote Local Economic Development (LED) performed better compared to other programme interventions.

Table 3.1: PSD Programme Physical Performance by 30th June 2023

Sub-programme	Performance (%)	Remark
Enabling Environment	75.4	Good performance
Private Sector Institutional and Organizational Capacity	72.5	Good performance
Average	**74**	**Good performance**

Source: Field Findings

The approved budget for the PSD Programme was Ug shs 1,576.29 billion (bn) which was revised upwards to ug shs 1,576.54bn. A total of Ug shs 1,548.59bn (97.7%) was released and Ug shs 1,541.738bn (99.9%) spent by 30th June 2023 (Table 3.2). The MFPED had the biggest share of the Programme budget at 91.1%, while the UNBS had the highest release at 110% of its approved budget. The UEPB had the lowest release (53%). The overall release and expenditure performance were very good.

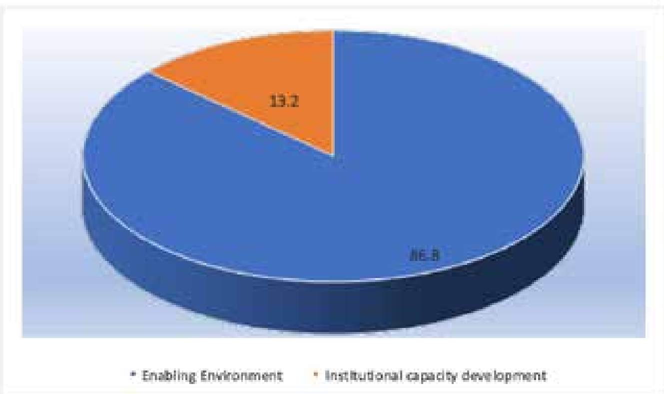
Table 3.2: PSD Programme Financial Performance by 30th June 2023

Sub-programme	Budget	Revised	Released	Spent	% Release	% Spent
Enabling Environment	1,363.417	1,368.923	1,347.18	1,341.144	98.4	99.6
Institutional Capacity Development	207.869	207.622	201.403	200.594	97.0	99.6
Total	**1,571.286**	**1,576.545**	**1,548.583**	**1,541.738**	**97.7**	**99.6**

Source: IFMS and PBS

The Enabling Environment Sub-programme took the largest share of the budget at 89% as shown in Figure 1 compared to the Private Sector Institutional and Organizational Capacity.

Figure 1: Percentage share of the budget by sub-programme



Source: IFMS

3.2 Enabling Environment Sub-programme

The sub-programme contributes to the first four PSD Programme objectives. It has 13 interventions, of which 10 (77%) were monitored. The financial performance was very good with 99% of the released budget spent. The intervention to increase access to affordable credit largely targeting Medium, Small and Micro Enterprises (MSMEs) had the largest share of the sub-programme budget, whereas the intervention to develop and publicize a transparent incentive framework that supports local investors had the least budget share. The performance of the monitored interventions ranged between fair and good as summarized in Table 3.3.

Table 3.3: Performance of Interventions under the Enabling Environment Sub-programme by 30th June 2023

Intervention	Colour code	Remark
Rationalize and harmonize standards institutions, and policies at the local and regional level	55.2	Fair performance
Address non-financial factors leading to the high cost of doing business	84.1	Good performance
Develop and implement a holistic local content policy, legal and institutional framework	84.9	Good performance
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	88.7	Good performance
Undertake strategic and sustainable government investment and promote private-sector partnerships in key growth areas `	50	Fair performance
Fully service the industrial parks and increase access to them by the local private players	51.4	Fair performance
Increase access to affordable credit largely targeting MSMEs	77.4	Good performance
Increase access to long-term finance	82.8	Good performance
Develop and publicise a transparent incentive framework that supports local investors	60	Good performance
Increase accessibility to export processing zones	78.8	Good performance

Source: Field Findings

3.2.1 Rationalize and harmonize standards, and policies at local and regional level

The intervention contributes to the programme's objective of strengthening the enabling environment and enforcement of standards. The planned outputs for FY2022/23 are: market surveillance inspections, development of standards, economic integration and market access, and facilities and equipment management.

Market Surveillance Inspections: The UNBS conducted 4,537 inspections (2,057 in the Central, 714 in the Eastern, 852 in the Western and 913 in the Northern) out of the annual planned 9,000. The inspections and surveillance exercises led to the seizure of 655 (5,707.71 metric tonnes) of substandard goods (338 goods were seized from Central, 59 from Eastern, 204 from Western and 54 from Northern). The inspections were conducted in supermarkets, shops, distribution outlets, hardware shops, food processing facilities, manufacturing facilities, and distribution trucks. This also led to the sealing off of 377 manufacturing facilities for producing non-conforming products and most of them were dealing in grains (maize millers). The activity however was affected by the lean staff of the UNBS on the ground and as a result, the manufacturers broke the seals and continue to operate unabated.

Development of standards: A total of 272 standards out of the planned 600 were developed, approved and gazetted by the National Standards Council. These standards included: 85 services and business management, 100 chemicals and consumer products, 44 engineering, and 43 food and agriculture standards). In addition, 117 Final Draft Uganda Standards (FDUS) were developed and awaited approval by the National Standards Council (NSC), plus 49 stakeholder engagements were undertaken to promote all Ugandan standards across the country.

Economic Integration and Market Access: The MoTIC concluded round one of the various trade protocols under the African Continental Free Trade Area (AfCFTA) and the Common Market for Eastern and Southern Africa (COMESA) including Rules of Origin (RoO), trade in goods and services and investments. A compendium of harmonized national negotiation positions was compiled and a national AfCFTA strategy was prepared to engage the private sector on the possible ways of accessing the African market. The MoTIC also participated in three bilateral trade negotiations and agreements with key strategic markets of South Africa, Algeria and DR Congo.

Facilities and equipment management: The pre-feasibility and feasibility studies for the establishment of regional analytical laboratories were completed and reports were submitted and approved by MFPED's Development Committee (DC) and the project acquired a code number 1783.

The specialized laboratory and information and communication technology (ICT) equipment, vehicles, and furniture and fittings for the UNBS were procured (9 field vehicles, 2 public relations smart devices, assorted equipment for microbiology and chemistry laboratory, 27 devices for calibration rig, 2 prover tanks, 2 work station with 4 and 2-seaters, 15 ergonomic chair, 15 equipment tables, 15 laboratory stools both stainless and leather stools (swivel) and 4 coat hangers. In addition, the two regional UNBS laboratories in Mbarara and Gulu districts were equipped with assorted equipment to run microbiology and chemistry tests within the regions as well as generate non-tax revenue. The laboratories were functional but had limited space for working and installation of some of the equipment.


Left: A liquid chromatography in the chemistry lab at Lira UNBS Regional Laboratory. Right: Some of the equipment at Mbarara UNBS Regional Laboratory

Support to the AGOA Secretariat: To guide local manufacturers on how best to benefit from the African Growth Opportunity Act (AGOA), the AGOA Secretariat visited Soroti Fruit Factory, Amos Diaries, Ankole Coffee Producers' Cooperative Union, Tooke, NUMA Foods Ltd (millet, cassava flour), and Igara Tea Factory Ltd. The findings from the visits indicated a need for capital to purchase new machinery, and address weaknesses in storage and standards. The MoTIC also participated in the AGOA Forum in the United States of America.

3.2.2 Address non-financial factors (business processes) leading to high costs of doing business

The intervention contributes to the programme's objective of sustainably lowering the costs of doing business. The planned outputs for FY2022/23 include: investment licensing and aftercare services provided, business development services provided, leadership and management services provided, and private sector development services provided.

Investment licensing and aftercare services provided: The UIA developed and rolled out the leave management, and asset tracking systems, plus a data analytics tool based on the e-Biz Data for the internal customers. A web-based Monitoring and Evaluation Enterprise Resource Planning (MEERP) system was also developed and rolled out, and a robust monitoring & evaluation tool to track the status of investment in the country was developed. Additionally, a new module for storing investment license application files was under development.

Business development services provided: The Uganda Business Facilitation Centre (UBFC) was operationalized in a bid to streamline systems, processes and procedures for business investment, enterprise development, registration and licensing. During the period under review, the contract for property facilities management services for UBFC was signed and was being implemented. A One Stop Center (OSC) under the stewardship of UIA was established and furniture for the OSC was procured, delivered, and assembled. The contract for the supply of assorted ICT equipment was signed and partial delivery was made to the OSC.

Leadership and management: The UIA held four meetings with development partners, potential investors and other key stakeholders. A state of investment report was prepared, an automated M&E system was developed to track performance, and a prototype was approved by management. A risk management strategy for UIA was developed and pre-feasibility studies were initiated towards the development of the industrial park projects across four regions of Uganda.

Private sector development services provided: The third bi-annual Private Sector CEO Forum (PCF) was held and field visits to Roofing's Limited, Steel and Tube Limited, Mutuma Commercial Agencies Limited and Tembo Steel (U) Ltd were conducted. The first issue of the Statistical Year Book for FY 2021/22 and content generation for the Annual Statistical Year Book, FY 2022/23 Issue 2 was ongoing. The Corporate Uganda Report, FY 2021/22 was finalised and the first draft of the Corporate Uganda Report, FY 2022/23 (Issue 2) was under development. The Private Sector Development Report (PSDR) was finalised but not launched. The Second National Strategy for Private Sector Development and the Strategy Implementation Group were launched during the period under review.

The MFPED's Private Sector Development Unit (PSDU) participated in preparatory activities for the EU-Uganda Business Summit and held the 13th National Competitiveness Forum under the theme "*leveraging strategic export markets to boost investments for import substitution opportunities*". An electronic management system (EMS) and the in-house dashboard were developed in collaboration with the National Information Technology Authority, Uganda (NITA-U) and were being integrated into the MFPED Development Policy and Performance Portal.

3.2.3 Develop and implement a holistic local content policy, legal and institutional framework

The intervention contributes to the programme's objective of promoting local content in public programmes. The planned outputs for the FY2022/23 were: International standards harmonised, trade equipment calibrated, investor education and stakeholder facilitation provided; construction managed, and inspection and monitoring conducted.

International standards harmonised: The international standards are developed through the international Technical Committee (TC) meetings for the International Organisation of Standardisation (ISO), International Electro-Technical Commission (IEC), Codex Alimentarius Commission, and American Society for Testing and Materials (ASTM). By the end of FY 2022/23, a total of 177 International Standards were harmonized and approved by the National Standards Council. These included 140 ISO standards, 16 IEC Standards, and 21 ASTM Standards. At the Regional level (East Africa Community - EAC), 64 East Africa Standards were harmonized and at the continental level under the African Organization for Standardization (ARSO), and four standards were harmonized.

Trade equipment calibrated: A total of 5,678 industrial equipment was calibrated by the UNBS against an annual target of 6,600. The process of upgrading the Metrology Laboratory Information System (METLIMS) to enable the automatic generation of calibration certificates was in the final stages. The quality manual was being reviewed to cover changes that came with the introduction of METLIMS to aid the generation of automated calibration certificates.

An overarching local content policy framework developed: The UIA planned to set up a fund to support local firms to be competitive in the domestic and international markets with a focus on high-value products. By the end of FY2022/23, the UIA had set up a fund and Ug shs 50 million per annum was earmarked for capacity building of SMEs under the Rising Woman Program. As of 30th June 2023, a total of 1,400 women were trained, and 40 women entrepreneurs accessed financing for their businesses from DFCU Bank.

Construction managed: The UFZA planned to substantially complete the construction of the production unit II, trade house, and anchor unit at Entebbe International Airport Free Zone (EIAFZ). The work is funded under the retooling of the Uganda Free Zones Authority Project.

Construction works at the Entebbe International Airport Free Zone attained an annual progress of 22% in FY2022/23. The overall project progress was at 63% against the planned 69%, with an overall revised time progress of 69%. The progress of works was as follows: production units I and II, earthworks, retaining walls, road works to formation level, and southern embankment wall geo-nailing works were completed. The trade house and anchor unit block work alongside external works were ongoing and estimated at 22%. Due to inadequate funds, the completion date was revised from 4th December 2022 to 5th October 2024. The construction works for accommodation facilities at Buwaya for the security personnel were completed, and the UFZA effectively occupied the Land.

Top left: production unit 4 under construction. Top right: One Stop Center (trade house) at Entebbe under construction. Bottom: Substantially completed production units 1, 2 and 3 at the Entebbe International Airport Free Zone

The intermittent cash flows for the construction of the EIAFZ project and the increase in global construction commodity prices pose a risk of cost and time overruns projected at 22.6% of the original project costs.

The UFZA developed a policy on the management and utilization of public free zones in Uganda in line with their role of advising the government on all matters related to free zones development in the country.

Inspection and monitoring conducted: The PPDA organized a National Supplier Forum under the theme "*Enhancing stakeholder engagement for better public procurement outcomes*". The capacity of 1,645 local providers from Jinja, Mbale, Kabale, Kampala and Arua districts was built to enable them to participate in public procurement during supplier's forums and tailored trainings. The PPDA also sensitised procurement and disposal entities (PDEs) in the implementation of preference and reservation, and a report on the participation of local providers in public procurements. It was reported that 73% of the value of procurements during the year was awarded to local providers. The performance of the PPDA was affected by a lack of regulations for the Amended PPDA Act (2021).

3.2.4 Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED

The intervention contributes to the programme's objective of strengthening the enabling environment and enforcement of standards. The planned output for FY2022/23 are: Industrialization accelerated and jobs created; investment climate advisory provided; private sector development services provided; and business development services provided.

Industrialization accelerated and jobs created: Through the Presidential Investor Round Table (PIRT-Phase 5), the UIA kick-started the process of reviewing the Public Enterprise Reform and Divestiture (PERD) Act 1993 to encourage and grow public investment. A total of 148 bankable projects worth approximately USD 3.9bn were identified. A total of 80 investment leads worth USD 169,500,000 expressed interest in investing in Uganda in agriculture, pharmaceutical, automotive, education, mining, hospitality, renewable energy and waste management. Three inward investment exploratory missions were facilitated, and dissemination and popularization of the new investment code 2019 to support investments by special purpose vehicles (SPVs) was undertaken.

The UIA participated in and facilitated four business summits: Uganda-EU Business Summit, Afro-India Summit, Vietnam-Uganda Business Summit, and Uganda-Shandong Conference and 1,200 copies of updated promotional materials were disseminated.

Policies, Regulations and Standards: The MoTIC commissioned Mpondwe Market as well as the Mpondwe One Stop Border Post implemented by the Ministry of Works and Transport with funding from the European Union. The international trade missions were conducted and backstopping the private sector development was undertaken. Joint stakeholder engagements with the Key MDAs on preferential markets for example DR Congo, South Sudan, Kenya, Tanzania, Rwanda, Japan, India, and China were held. The MoTIC also conducted training and sensitization of Cross Border Trade Associations (CBTAs), and cross-border market vendors at Mpondwe in Kasese and Goli in Nebbi District.

Business Development Services (BDS) provided: Enterprise Uganda trained a total of 23,193 individuals (47% females) in entrepreneurship and business management training against the target of 20,000 during the period under review. The trainings were in the fields of Entrepreneurship and Business Skills Training (BEST) and business start-up. Additionally, business follow-ups were conducted for 1,065 beneficiaries who attended BEST training in Bushenyi District whose business ownership increased from 45% before the training to 71.3% after the training. Another, 356 employees and employers (25% females) were trained in planning for retirement financial literacy training in Kampala, Soroti and Lira cities.

A total of 4,685 beneficiaries participated in business recovery sand mentoring sessions, 2,359 farmers trained across 12 districts in the 4 regions of Uganda in Agribusiness planning using the PIS tool; Business Growth-Oriented training (Go-Tool) was conducted for 70 youth high flyers in Mbarara; and 846 MSMEs and farmers (445 males and 401 female) in the districts of Mayuge, Luuka, Namutumba and Bugiri to strengthen their entrepreneurial and business capacities.

The national BDS framework was finalized and launched, and the BDS technical working group was set up with MoTIC and MFPED as Co-chairs and the EU as the secretariat. The draft BDS guidelines for mainstreaming BDS in MDAs programming were developed by MoTIC and reviewed by the technical working group (TWG). A Master Training of Trainers (ToTs) was conducted for seven District Commercial Officers (DCOs).

Delivery of BDS digitalized to reach MSMEs online: A prototype of the BDS providers database was developed and was being tested and modified to have a better user experience. The BDS providers' database was finalized and underwent testing with existing BDS providers. The Entrepreneurship Training Workshop (ETW) online tool that processes applications for entrepreneurship training was developed and tested. A needs assessment tool for the development of the BDS provider reporting platform was done and online business recovery series trainings were held reaching 2,201 entrepreneurs (1,223 males and 851 females) across the country.

The National BDS Centre in Butabika constructed: The construction of the National BDS Centre by M/s Reliable Engineering and Décor Limited and Sheeba Construction (JV) was ongoing at Butabika in Nakawa Division. The scope of works includes: the construction of an ultra-modern office (seven-storey high with three floors of basement parking, and four floors of main tower covering 13,400 square meters); and external works including paved distributor and access roads, and parking. The contract start date was 20th June 2022 whereas the end date is 20th February 2024.

Ongoing construction at the National Business Development Centre at Butabika, Nakawa Division, in Kampala District

By 30th June 2023, the civil works were estimated at 36% against 65.25 %-time progress and 28.31% financial progress. The construction of the basement substructure of 3 levels was substantially complete and the setting of the second floor progressed at 82% pending the casting of concrete to staircases, beams, slab and strip formwork. The slow progress was attributed to the heavy rains between October and December 2022 and the delayed release of funds. The contractor had started a night work shift to recover lost time to meet the deadlines. However, it was observed that financing of the project had not been prioritised during FY2023/24 which was likely to cause further delays and cost overruns.

3.2.5 Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas

The United States African Development Foundation (USADF) support to farmer organizations/ cooperatives managed

Following a Memorandum of Understanding (MoU) for strategic partnership between the USADF and the GoU in November 2006, where the USADF and GoU each make equal contributions (matching grants) of USD 1,000,000 per annum towards targeted farmer cooperatives and SMEs that are 100% African-owned and legally registered.

The USADF extended grants to five farmer organizations out of the planned 12[1] during the period under review. The seven grantees valued at USD 1,500,000 did not start implementation during FY2022/23 because three were at the compliance review stage (second last stage), while four were at the award review stage (last stage) by 30th June 2023. Annex 2. The monitoring focused on the five grantees funded during FY2022/23 and six multiyear grantees whose funding started in FY2021/22. The monitored grantees were at varying levels of progress (Table 3.4).

The previously supported cooperatives/organizations created and sustained 8,442 jobs of which 5,462 (64.7%) were for males and 2,980 (35.3%) for females. The previously supported projects entered into seven supplier contracts of which two were national and five international contracts[2]. Additionally, four supplier-buyer relationships were built, of which one was local and three international companies (Touton S.A, France; African Agro Produce Pty Ltd, South Africa; Wataru & Co. Ltd, Japan; and Ideal Commodities Limited).

Over 70% of the supported cooperatives reported an increase in their sales revenue beyond their targets for both local sales and exports. The performance of the project was fair, however, the high cost of steel and cement plus other agriculture inputs arising from the COVID-19 pandemic affected the beneficiaries that had infrastructure development-related activities and the stocking of the input shops respectively. There was slow progress with onboarding the remaining seven grantees due to inadequate staffing levels within USADF. The performance of the monitored grantees is given in Table 3.4.

1 Sebei Farmers' Cooperative Society Ltd, Mount Elgon Coffee and Honey Cooperative Society Ltd, Aber Kamdini Grains Area Cooperative Enterprise Limited, Itek/Okile Rice growers Multipurpose Cooperative Society Limited, Nyamirima Mutegaya Cooperative Society Limited, Bakyabumba Farmers' Cooperative, Kamutur Oil Seed Farmers' Cooperative, Kyendangara Area Cooperative, Kashaka Dairy Farmers Cooperative, Mbulamuti Model Farmers Savings & Credit Cooperative Society Limited, Kwera Oil Seed Farmers Multipurpose Cooperative Society, and Karangura Peak Modern Coffee Farmers' Cooperative Society.

2 (Ecom Agro-industrial Corp Ltd; Terracore International S.A; Bercher Coffee Consulting; Guzman Coffee & Nuts S.L; Kovos Bankas J.S.C; Atlas coffee Importers LLC, Seattle WA, USA and Iniciativas Commerciale's Navarras)

Table 3.4: Performance of the USADF supported and monitored cooperatives as at 30th June 2023

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Grantees supported in FY2022/23						
Sebei Farmers' Cooperative Society Ltd	0.339	0.100	0.080	Infrastructure development, Equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in coffee	Completed activities were: staff recruitment, trainings on financial management and monitoring and evaluation, purchase of office equipment and furniture, and two motorcycles. Pending activities were: the establishment of an input shop, completion of the storage facility / warehouse, purchase of post-harvest handling equipment and establishment of a Crop Finance Fund.	Slow progress as the key outputs were yet to be achieved due to the delayed acquisition of the land title.
Mount Elgon Coffee and Honey Cooperative Society Ltd	0.320	0.192	0.180	Infrastructure development, Equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in coffee	Completed activities were; staff recruitment, procurement of motorcycles, office furniture and Computers, the Input Shop established, and development of operational manuals. four motorized pulpers procured, and trainings in Financial Management, M&E, and Cooperative Governance. UNBS Certification was ongoing with a pre-audit done. Pending activities include crop finance, organic certification, 3 trainings and accounting software.	Seven project activities were completed, while five were ongoing, and three were yet to start. Posted Good performance

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Aber Kamdini Grains Area Cooperative Enterprise Limited	0.351	0.097	0.090	Equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in maize	Completed activities are: staff recruited, Office equipment and furniture, 2 motorcycles, 3 motorized maize shellers procured, electricity extended and connected, agro-input shop established, and trainings on M&E and financial management conducted. Pending activities were; crop financing, agronomy and cooperate governance trainings, and accounting software installation.	Good progress as three of the five indicators were surpassed. Expressed concerns over delayed document approval by the funder.
Itek/Okile Rice Growers Multipurpose Cooperative Society Limited	0.355	0.104		Equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in rice	Purchased 2 Motorcycles, 2 Desktop Computers, and Accessories, a printer, 3 Office Chairs, 3 Office Desks, and a Safe. Agro-input Shop established, training in Financial Management and M&E undertaken and staff recruited. A rice polisher procured and installed pending the fixing of a starter. Other pending activities were; UNBS certification for packaged rice, motorized rice thresher, installation of the accounting software and 3 trainings.	Slow progress and lengthy process of registration on the American database

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Nyamirima Mutegaya Cooperative Society Limited	0.760	0.183	0.181	Infrastructure development, equipment purchase, working capital, training, technical assistance and administrative support. Cooperative trades in coffee	Completed activities were; staff recruited (8), financial management and M&E training, procured office equipment, a truck, a motorcycle and a weighing scale were procured awaiting delivery. Pending activities were; fair trade certification, construction of a coffee processing facility, transformer and power extension, coffee processing and post-harvest handling equipment, crop finance and agro-input shop.	Fair progress as the cooperative registered fair performance with only four months of implementation.
Multi-year grantees before FY2022/23						
Buzaaya Growers Cooperative Union Limited	0.915	0.713	0.703	Infrastructure development, Equipment purchases, working capital, training, technical assistance and administrative support	The following were procured; 1 Truck, 2 motorcycles, 1 moisture meter, 1 hanging scale, 1 digital platform weighing scale, 1 safe, and 2 computers and accessories procured. Crop finance was received and an inputs shop established plus a coffee nursery was in place. All scheduled trainings were undertaken. Pending were: procurement of 4 office tables,4 office chairs & filling cabinet; delivery of Coffee Milling Machine, transformer and completion of the warehouse construction.	Outcome performance was poor and the project was behind schedule. This is attributed to management challenges with in the cooperative.

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Ishaka Western Coffee Traders Cooperative Society	0.823	0.174	0.173	Infrastructure; equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in coffee	Completed activities were; Procurement and delivery of office equipment, financial and M&E training, office space and coffee processing facility, a truck and motorcycle, agro-input shop and crop finance, transformer and power extension, post-harvest handling and lab equipment. A nursery bed was also established to support members with quality seedlings. Pending activities were; financial systems upgrade, review of operational manuals and fair-trade certification.	Good progress. A total of four outcome indicators were achieved out of nine.
Abateganda Ntungamo Growers Cooperative Society Limited	0.814	0.349	0.287	Infrastructure; equipment purchases, working capital, training, technical assistance and administrative support. Cooperative trades in coffee.	The following activities were completed: Procured office equipment, 1 truck, 2 motorcycles, modified storage facility to 50%, finance and M&E training. Pending activities were; complete facility modification, purchase of transformer and coffee processing equipment, input fund, four trainings, and technical assistance.	Indicator performance could not be scored as the cooperative was in the initial stages of implementation.

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Rwenzori Farmers' Cooperative Union Kasese	0.884	0.739	0.708	Infrastructure; equipment purchases, working capital, training, technical assistance and administrative support Cooperative trades in coffee	Completed activities were: recruitment of staff, Substantial completion of the warehouse pending floor finishes, Procurement of a truck, post-harvest handling and Quality improvement equipment. Finance and M&E training, financial systems upgrade and crop finance. A transformer was procured and installed. Pending activities were; input fund, and store management training. Delivery and installation of processing Unit (coffee huller), and community re-investment.	The rise in prices of materials and fuel increased the cost of outputs.
Coffee World Limited-Mbale	0.909	0.754	0.731	Infrastructure; equipment purchases, working capital, training, technical assistance and administrative support Cooperative trades in coffee	Completed activities were: procured a truck, motorcycle, office equipment, and Motorized Coffee Pulpers, established an agro-input shop, fair trade certification and marketing plan development. Trainings in Financial management, M&E, good agronomic practices and post-harvest, handling, and farmer digitalization training. Pending activities were; the completion of coffee washing house, dryer house, Coffee Washing Machinery installation, fencing, organic certification, electricity connection and recruitment of some personnel.	Slow progress. The grantee cited an increase in the price of inputs as a result of the COVID-19 effects.

Cooperative monitored	Grant amount (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	Planned outputs	Performance	Remarks
Yo – Uganda Limited	0.881	0.752	0.676	Provision of value-added services to grassroots farmers in Uganda through digitization and linkages to markets and financial services.	250,000 farmers and 374 cooperatives and so far 2 suppliers were onboarded to the Yo-Uganda platform, however, only 40 cooperatives were fully signed off and using the services. The limited number of full users was attributed to limited computer knowledge by the user. However, a company (MasterCard) was contracted to undertake training of the farmer to ease their access and use of the platform. Services offered on the platform include linking farmers to; input providers/ suppliers, onboarded banks/financial institutions, insurance companies, veterinary services and tractor-hire services among others.	The grant performance was good though the full use of the platform was limited by the farmers' low levels of computer literacy

Source: Field Findings

Left: A truck procured for Rwenzori Farmers' Cooperative Union in Kasese Municipality. Right: Maize sheller acquired by Aber-Kamdin Grains Area Cooperative Enterprise Limited

Industrialisation Acceleration and Job Creation: The planned activities under the outputs were: review and amend the PERD Act, subscription to the FDI markets, database undertaken, a robust investor tracking system developed, automation of business processes ensured to facilitate easy investment information access, and foreign and domestic direct investment enhanced.

By the end of FY2022/23, the UIA subscribed to the FDI Markets and obtained the FDI market tool with a database of potential and existing investors in Uganda. The UIA also undertook the review of the PERD Act, a total of 50 projects were facilitated through the licensing process, 12 local investment companies were profiled and linked to transnational companies (Business to Business), 13 companies (6 local and 7 foreign) were licensed from the inward missions with an investment value of USD 54.2million with potential to create 1,026 jobs. The UIA did not provide information on the actual jobs created for the period under review.

3.2.6 Fully service the industrial parks and increase access to them by the local private players

The intervention contributes to the programme objective of strengthening the enabling environment and enforcement of standards and one deliverable over the NDPIII period - increased fully serviced industrial parks. The intervention aims at having serviced industrial parks to attract both domestic and foreign direct investment and reduce operational costs incurred by investors. The planned output for FY2022/23 was industrial parks developed and managed which is discussed hereafter;

The Kampala Industrial and Business Park

In 2018, a commercial EPC contract for the infrastructure development of Kampala Industrial and Business Park (KIBP) was signed between the Government of Uganda through the Uganda Investment Authority and M/s Lagan in Joint Venture with M/s Dott Services that transformed into M/s Lagan Dott Namanve Limited (LDNL) at a cost of Euro 215,065,212.41. The project is funded by the GoU with support from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB). The contract commenced on 6th July 2020 with an expected completion date of 5th January 2024.

The project's planned outputs included conducting: an Environmental and Social Impact Assessment Studies (ESIAS), detailed engineering designs, construction of 45km of road network and associated bridges, a water distribution network including water reservoirs, a sewerage network including Waste Water Treatment Plant (WWTP) and Solid Waste Treatment Plant (SWTP), power services including supply and laying of a 33KV Single core cable, laying of internet fibre optic cable and CCTV services, solar street lighting and development of a Small and Medium Enterprise Park.

Performance

By 30th June 2023, the overall contract financial performance was 47.85% against a planned progress of 90.8%. Cumulatively, a total of 15 out of the 16 Interim Payment Certificates (IPCs) raised were paid to a tune of 102,977,377.81 Euros (inclusive of 25% advance payment) against the planned payment of 195,293,701.71 euros by 30th June 2023. Overall time progress was 85.21%. The poor financial progress was attributed to the slow progress of civil works of between 0.5% to 1% against the planned 3% to 5% monthly progress and the failure to have an approved site for waste treatment.

It was observed that some payments to the contractor were delayed and as a result, the contractor had submitted claims on delayed payments. The Project Management Team (PMT) reviewed and analysed the contractor's claims for possible consideration.

Overall project performance was poor. The cumulative physical progress as at 30th June 2023 was 39% against the planned progress of 86%. This was attributed to the delayed approval and finalization of sites for three components (WWTP, SWTP and SME Park) which contribute 30% of the project scope. This delay resulted in a lost time of 13 months.

Conditions precedent: The cumulative progress on conditions precedent to the loan was 95% with 72.85% on staff training plans. Studies including the ESIAS and surveys substantially achieved, and mobilization was at 90%. The addendums for the ESIA, WWTP and Solid Waste Facility were at 0% given that a new site was identified in April 2023 pending final approval by the National Environmental Management Authority (NEMA).

Design works: The overall achievement of the detailed engineering designs was 91% against a planned target of 100%. During the engineering design period, emergency works were undertaken to ensure that the roads were motorable and this was at 100%.

Construction of; 45km of road network and bridges: The overall progress on construction of the road networks and bridge overpass was poor (26% against a planned target of 81%). Specifically, the north estate road works progressed to 55%, South C1 Estate at 25%, South A Estate at 24%, South C2 Estate at 23% and South B Estate roads at 10% by the end of June 2023.

The slow progress was attributed to the delayed finalization of sites for the WWTP which would guide works on the levels of roads and drainage network. Additionally, the COVID-19-related restrictions slowed down the flow of logistics thus limiting access to some construction materials and ultimately works.


L-R: Stone pitching along a road in the North Estate. A levelled A2 road ready for paving in South A Estate of the Kampala Industrial and Business Park

There was a compromise on the quality of works arising from the contractor's refusal to have materials on site as agreed in the contract and violation of the approved designs. For example, 900mm diameter culverts are to be fully encased with concrete however, some 900mm culverts had been encased to half-width. This compromises the quality of drainage works and durability.

Ongoing works in South C estate at KIBP

Planned outputs yet to commence: There was no progress registered on the water distribution network including water reservoirs, MN Power Services including supply and laying of a 33KV single core cable, fibre optic and CCTV services, solar street lighting and other amenities such as hydrants as most of these are planned to be in the road reserve and therefore depend on completion of major road works. Therefore, works for the sewerage network, wastewater and solid waste treatment plant, and the SME Park were at 0% against a target of 87%, 83% and 100% respectively.

The project was behind schedule by 23 months. Works supervision was poor and as such the contract for the original owners' engineer was terminated on 29th August 2022 for failure to perform contractual obligations and professional negligence. The project management team (PMT) was constituted by the client (UIA) to temporarily supervise works as a new contract for supervision was at the Solicitor General's Office for clearance. The delayed recruitment was attributed to a court injunction instated by the outgoing owners' engineer which led to a loss of two months.

Despite the issuance of the ESIA certificate by NEMA on 23rd June 2021 for the campsite, the EPC contractor had not yet fulfilled the permit conditions to allow the campsite development to commence. Additionally, 10 acres were reallocated to the contractor by the UIA in April 2023 for the construction of the waste water and solid waste treatment plants however, works had not commenced. The contractor was engaging with a consultant to carry out an ESIA.

The project runs a risk of cost and time overruns arising from idle time, delayed payment to the contractor, and delayed effective acquisition of alternative sites for waste treatment facilities and SME parks. The PMT was in the process of computing the actual value of extra costs required expected by the end of August 2023.

Project Challenges

i) Delayed response by the contractor to most of the issues raised by the PMT/Owner's Engineer (OE) such as the signing of amendments to the contract with some lasting over six months before responses are provided.

ii) Delayed approval of the site for wastewater treatment plant and solid waste treatment plant lasting 13 months.

iii) Encroachment on parkland and green spaces by some tenants and issuance of illegal titles on the KIBP land by Mukono DLG. This was common in the South C8 section where three issued titles were overlapping on the drainage way.

iv) Failure by the project technical and steering committees to convene meetings has delayed the settling of some disagreements between the contractor and the supervisor.

v) Inadequate work supervision as a result of the lean staff of the project management team; only four staff (Project manager, Project Engineer, Project Quantity Surveyor and Project Architect) out of the establishment of 12 staff.

Recommendations

i) The contractor should fast-track the submission of a recovery plan and updated project work plan and ensure timely response to the matters raised by the PMT/OE including adherence to the designs.

ii) The NEMA should expedite the approval process for the wastewater treatment plant and solid waste treatment plant site to avoid extended loss of time and resources.

iii) The Mukono DLG land office should desist from the issuance of titles on the KIBP land. Additionally, individual officers involved in the illegal titling should be held culpable and prosecuted accordingly.

iv) The Project Steering Committee should hold periodic meetings to address the concerns that require their timely input and action.

v) The client and PPDA should fast-track the recruitment of the owner's engineer to ensure adequate supervision and adherence to the project designs by the contractor.

Other industrial parks serviced and maintained: The UIA in collaboration with the National Planning Authority (NPA), prepared pre-feasibility and feasibility studies for four (4) established industrial parks of Kasese, Soroti, Jinja and Karamoja. M/s BHM Construction International (UK) Ltd was engaged to conduct feasibility studies for the industrial parks located in Kisoro, Nebbi, Pader and Rukungiri districts and a draft report was being reviewed by the technical steering committee and NPA.

The terms of reference (ToRs) for the procurement of consultancy services for the preparation of the ESIA and master planning for the proposed Kamuli and Masindi Industrial and Business Parks were developed. A contract was signed for boundary opening and installations of concrete border markers for newly acquired industrial sites located in Nebbi, Lira, Pader, Kisoro, Rukungiri and Isingiro districts however, works were yet to commence.

Contracts were signed with the developers of Liao Shen Kapeeka and Tang Shan Mbale Industrial Parks for the development of infrastructure. The contractors (NEC and China Railway Engineering No 3 respectively) were both advanced payments and UIA was awaiting the performance bonds to effectively commence the contract. The Mbarara SME Park was handed back to the former tenants under Gatsby Trust to run it.

There were no maintenance works undertaken in the Bweyogerere, Luzira, Kasese and Soroti industrial parks during the year due to inadequate funds. It was observed that roads in these parks had deteriorated.

Investors allocated land in industrial parks: During the period under review, the UIA held two regional investment summits in Kigezi and West Nile as well as outreaches in Masaka, Nebbi, Gulu and Jinja districts to popularise the available opportunities for investors. Consequently, a total of 244 local investors were allocated land across 7 industrial parks of KIBP, Luzira, Bweyogerere, Jinja, Mbale, Soroti and Kasese.

Land acquired for development of new parks: The UIA was acquiring land in different parts of the country for the establishment of industrial parks and the progress of land acquisition is shown in Table 3.5.

Table 3.5: Land acquired for other proposed industrial parks

No	Proposed park location	Acres	Status
01	Nyaruvur Sub-county (S/C), Nebbi District,	511	The land title was acquired and a contract for border markers installation was signed.
02	Rhino Camp S/C in Madi-Okolo District	515	Given by a district council resolution and processing of the land title was ongoing.
03	Bijo S/C in Yumbe District	1,244	Given by a district council resolution. 244 acres are titled and 1,000 acres are not yet titled.
04	Former Alere Government farm in Lira District	500	Given by a district council resolution and processing of the land title was ongoing.
05	Dokolo District	2,000	Given by a district council resolution.
06	Oyam District	54	The district has yet to finalise the acquisition process.
07	Pader District	500	Land title not yet obtained.
08	Kiruhura District in Rwebitete	25	Land title not yet acquired.
09	Bunagana town council- Kabale District	620	Land title not yet acquired.
10	Bwambara S/C in Rukungiri District	203	Given by a district council resolution. Land title not yet acquired.
11	Kabarole District	502	No progress was made due to fights over ownership between NARO and Mountains of the Moon University
12	Nakivale in Isingiro District	2000	Feasibility study ongoing
13	Kamuli District	636	Given by a district council resolution. Land title not yet acquired.
14	Soroti District	500	The land was a former government farm, Land title not yet acquired.
15	Butambala District	300	A district council resolution is in place. Land title not yet acquired.

Source: UIA

3.2.7 Increase access to affordable credit largely targeting MSMEs

The intervention contributes to the programme's objective of sustainably lowering the costs of doing business. The planned outputs for FY2022/23 were: coordination and oversight of microfinance services provided, PDM financial inclusion pillar implemented, Microfinance Support Centre Services *(Emyooga*) offered, oversight and coordination of the non-banking sector provided, small business recovery fund implemented, and registration services.

Coordination and oversight of microfinance services provided: The Financial Sector Development Strategy was presented to the Cabinet, and implementation of the action points was ongoing while drafting of the second National Financial Inclusion Strategy commenced. The Microfinance Policy was being updated, while the review and amendment of the Tier IV Microfinance and Money Lenders Act was initiated after the formation of a select team. The Regulatory Impact Assessment Report for the unclaimed financial assets was finalized and the International Fund for Agricultural Development (IFAD) rural poor stimulus facility was disbursed and implemented by the Project for Financial Inclusion in Rural Areas (PROFIRA).

PDM financial inclusion pillar implemented: By 30th June 2023, a total of Ug shs 1,058.125bn was disbursed to 10,585 PDM SACCOs as parish revolving funds. The PDM Pillar 3 guidelines were disseminated to all stakeholders and technical support was provided to LGs on the implementation modalities of the financial inclusion activities. Community mobilization and sensitization for PDM was undertaken and a total of 63 national Trainers of Trainers (ToTs) were identified and trained by the Ministry of Gender, Labour and Social Development. The ToTs in turn trained 885 officers from all the 177 LGs. Leaders and PDM SACCO executives and members were trained on the use of the PDM Information Systems (PDMIS), complaint handling and any other matters relating to disbursement and assessment of PDM enterprises and loan recovery.

Microfinance Support Centre Services offered: The MSC disbursed a total of Ug shs 15.942bn to 437 clients, of which Ug shs 13.298bn was to 375 clients under conventional financing and Ug shs 2.644bn to 62 client projects under Islamic finance; 70% of the annual disbursement was to the agriculture sector.

A total of 1,060 against a target of 800 credit client institutions, (173 SACCOs and other cooperatives, 506 groups, 247 MSMEs and 134 microfinance institutions (MFIs), were offered capacity building in the areas of mindset change, business risk management, business record keeping, Islamic finance, enterprise selection and management as well as financial literacy. The trainings benefited 8,072 (3,269 males and 4,803 female) individuals from the credit client institutions against a target of 5,000.

Additionally, 75 defunct cooperatives/SACCOs were mobilized for revival against a target of 41. The support included re-sensitization of members/leaders on the benefits of cooperatives, trainings in cooperative governance, credit management, bookkeeping, and development of operating policy manuals and management information systems. One client product centred on the *Katale* loan product out of the planned three products was launched targeting the unique needs of the persons that operate in the markets and the MSC refined five products targeting women and youth enterprises.

A total of Ug shs 261.63bn was disbursed for both initial seed capital and additional seed capital to 6,766 and 436 respectively to *Emyooga* SACCOs. A total of 400 artisans from the *Emyooga* categories of carpenters, welders, tailors and mechanics were trained in business skills mainly in financial literacy and enterprise management. Only 39% of the *Emyooga* SACCOs were monitored and sensitized against a target of 98% for the financial year. During the period under review, 6,785 new *Emyooga* SACCOs and associations were registered countrywide and certificates were received from the MoTIC.

The membership of SACCOs, groups and cooperatives increased and strengthened through the mobilization and sensitization drives reaching a total of 2,802,140 members, of whom 43.18% were women. The number of employment opportunities posted a slow growth of 291,997 jobs against the annual target of 1,000,000 with 50% women, 27.4% youth and 16% persons with disabilities (PWDs).

The cost-to-income ratio was maintained at 0.96:1 against an annual target of 1:1. This was attributed to the realization of GoU grants allocated to the MSC for operations during the year and expenditure prioritization. The Portfolio at Risk (PAR greater than 30 days) stood at 60% against a target of 30%. This was attributed to the prolonged recovery of businesses and the harsh economic operating environment which caused a significant number of clients to fail to remit their loan payments on time.

During the FY2022/23, a total of 38 SACCOs were digitized against the target of 20. These were equipped with the JAMI system that supports transaction and record management of savings and loans. The 26 SACCOs found without the required hardware at the time of digitization were also supported with computer hardware i.e. a computer and printer to enable them to utilize the JAMI system.

Oversight and coordination of the non-banking sector provided: A draft Agricultural Finance Policy Framework and a Capital Markets Development Framework were developed. Eleven (11) sets of the Insurance Regulations were reviewed and issuance was ongoing. A total of 625,000 farmers were supported under the Agricultural Insurance Scheme. The Mandatory Motor Vehicle Insurance draft bill was developed; however, the Concept Note for the National Livestock Insurance was not developed.

Small Business Recovery Fund implemented: The Bank of Uganda received Ug shs 100bn from the Government to capitalise on the Small Business Recovery Fund (SBRF) to facilitate the provision of loans to small businesses that suffered financial distress from the effects of COVID-19. The banks/ Primary Financial Institutions (PFIs) are required to match the GoU contribution with a 50% contribution.

By the end of FY 2022/23, a total of 899 applications for the SBRF worth Ug shs 10.485bn were approved by the Bank of Uganda through seven PFIs[3]. Opportunity Bank had the highest number of beneficiaries (735) and the amount loaned out (Ug shs 5.977bn). The central region was the biggest beneficiary with 647 beneficiaries receiving Ug shs 7.869bn.

The average time to access the loan after submission of the application forms and fulfilling of requirement was one month. The beneficiaries monitored appreciated the SBRF facility and reported that they were able to improve the stock, stabilized their businesses and expanded their clientele base. During the monitoring, one beneficiary - Blessed Victors Secondary School in Buwalula Village, Mityana District reported that they used the Ug shs 0.070bn loan to complete the construction of a four-classroom block and furnished the school laboratory with some equipment and consumables. Another beneficiary in Gulu District restocked their hardware store and procured a used 7 Metric Tonne truck (tipper) using the Ug shs 30 million loan obtained.

3 Opportunity Bank, Pride Microfinance, Finance Trust Bank, PostBank (U) Ltd, Diamond Trust Bank, Housing Finance Bank, DFCU Bank, Centenary Bank, and Equity Bank.

"I was able to buy a second-hand tipper truck which has eased the delivery of goods to my customers outside the city," said one of the SBSRF beneficiary-Awach Hardware in Gulu City, Pece-Laro Division.

Left: A tipper truck procured by Awach Hardware, an SBRF beneficiary in Gulu City. Right: A four classroom block constructed at Blessed Victors Secondary School in Buwalula Village, Mityana District using part of the SBRF

However, the beneficiaries indicated that information about the SBRF facility was not readily available, especially from the partnering commercial banks, and the collateral required (land titles) to access the funds was not favourable for the small business.

Incidences of stalled projects due to insufficient funds were observed yet the loan had no provision for a top-up. Another beneficiary in Mukono indicated that the loan did not have a provision for a grace period before repayment which affected the completion of the planned renovation works.

The general uptake of the SBRF was still low mainly due to low awareness campaigns, partnering financial institutions fronting their products, and high level of business informality thus lacking security among others.

Registration services: The URSB planned to conduct 3 regional workshops for lenders, sensitize borrowers' associations on the Security Interest in Movable Property Registry (SIMPO), and promote prudent lending against movable assets. By the end of the FY, a total of 664 lenders from microfinance institutions and money lenders were registered on the collateral registry and 18 regulators and associations were engaged about SIMPO. The URSB trained 810 participants from Tier 1 to Tier 4 institutions, law firms and individuals about the use of moveable property and carried out four regional workshops in Jinja, Kabale, Soroti, and Kampala against an annual target of three.

3.2.8 Increase access to long-term finance

The intervention contributes to the programme's objective of sustainably lowering the costs of doing business. The planned outputs for FY2022/23 are: Financial Sector Policy and oversight provided, and institutions and financing schemes capitalized.

Financial Sector Policy developed and oversight provided: The Draft National Development Finance Policy was reviewed and a proposal for developing a credit guarantee framework was established by the Uganda Development Bank. Additionally, the work plans for the Financial Sector Stability Forum (FSSF) for FY 2023/24 were developed.

Institutions and financing schemes capitalized: A total of USD 1,941,207 was disbursed as a government subscription to the Islamic Development Bank and African Development Bank. A total of Ug shs 88.5bn against a target of Ug shs 152bn was disbursed for recapitalizing Government-owned banks during the financial year.

3.2.9 Develop and publicise a transparent incentive framework that supports local investors

This intervention contributes to the objective of promoting local content in public programmes. The planned output under the intervention was Research and Development. By 30th June 2023, the UFZA had published the FY2021/22 Enterprise Survey Report and conducted the annual client satisfaction study. However, the study on the cost-benefit analysis of tax incentives for free zones was not undertaken as planned.

3.2.10 Increase accessibility to export processing zones

The intervention contributes to the programme objective of strengthening the enabling environment and enforcement of standards. The planned outputs for FY2022/23 were: investors protected and supported, export market developed and promoted, legal and advisory services provided, and communication and public relations offered.

Investors protected and supported: A total of four out of the planned five new developers and operators were licensed. The four new free zones were: Faru Trading Limited, Ham Enterprises (U) Limited, Reddy (SMC) Mines Limited, and Marine (U) Limited. These increased the total of licensed free zones to 35. The actual Investments generated by Free Zones stood at USD 37.6 million (18.8%) against an annual planned target of USD 200 million. The poor revenue performance from free zones is largely attributed to a lack of major new investments in capital goods.

A total of 50 acres of land were acquired against a target of 200 acres to establish free zones. The UFZA also got land offers from Kumi, Bugiri and Moyo DLGs totalling 389 acres to establish industrial infrastructure under the Free Zones Scheme. Only 1,430 new jobs were created against a target of 10,000 from all the licensed free zones.

At least 4% of the targeted 20% of Uganda's exports generated from the free zones were realized by 30th June 2023. This was hindered by the 2% Cess Tax[4] charged on gross export sales of coffee and high operational costs. The major exports were mainly: textiles, coffee and flowers. The provisional value of exports generated from free zones was USD 40,971,318.59. Additionally, 25 free zones developers & operators were automated on the Uganda Electronic Single Window (UESW) system bringing the total number of operators on the UESW to 35.

Legal and advisory services provided: The UFZA acquired four land titles for the establishment of free zones and all the 35 free zones were gazetted. The UFZA procured promotional items and sponsored the KACITA Annual Business Dinner and Jinja Business and Investment Summit and Exhibition which aimed at creating awareness about the free zones in Uganda. Annex 3 shows the performance of the sub-programme by 30th June 2023.

4 A cess is a tax levied by the government on a tax with specific purposes until the time the government gets enough money for that purpose. Different from the usual taxes and duties like excise and personal income tax, a cess is imposed as an additional tax besides the existing tax (tax on tax).

Conclusion

The sub-programme performance was good at 75.4% (Annex 3). Good progress was observed under the interventions to address non-financial factors leading to the high cost of doing business, develop and implement a holistic local content policy, legal and institutional framework and creation of appropriate incentives. Poor performance was observed under the intervention of access to fully serviced industrial parks.

Market surveillance activities were undertaken by the UNBS resulting in the seizure of counterfeit and substandard goods and sealing off of manufacturing facilities that did not meet the standards however there was inadequate manpower to sustain such operations. Standards were developed, approved and gazetted and equipment was procured, installed and operationalised for the regional laboratories. The Investors were provided with aftercare services and the Uganda Business Facilitation Centre was operationalized. Support to grantees under the USADF progressed slowly with five out of twelve grantees commencing implementation and those in previous cohorts achieving or surpassing the targets.

The MFPED and BoU facilitated access to affordable credit through *Emyooga,* PDM and SBRF and the capitalisation of institutions. However, the uptake of SBRF was still poor with less than 12% of the funds disbursed to beneficiaries largely due to stringent guidelines, sabotage by partner financial institutions and lack of awareness by the intended beneficiaries. The construction of the airport free zone at Entebbe International Airport and the development of industrial parks posted slow progress due to inadequate releases, and delayed acquisition of sites for waste management and the SME Park respectively.

Recommendations

1. The BoU together with the PFI in the SBRF should popularise the Fund to ensure increased uptake of the available funds by small businesses.
2. The UIA should expedite the process of acquiring alternative fit-for-purpose land for the waste treatment and SME Park for the KIBP Infrastructure Development Project to avoid further delays and cost overruns.
3. The MFPED should finalise and roll out the regulations arising from the PPDA Amendment Act 2021 to achieve targets related to local content.

3.3 Private Sector Institutional and Organizational Capacity Sub-programme

The sub-programme contributes to the PSD Programme objective of strengthening the organizational and institutional capacity of the private sector to drive growth. The sub-programme has two interventions and all were monitored. The sub-programme performance was good at 72.75% and the summary of performance of the monitored interventions is given in Table 3.6.

Table 3.6: Performance of Interventions under the Private Sector Institutional and Organizational Capacity Sub-programme by 30th June 2023

Intervention	Colour code	Remark
Improve management capacities of local enterprises through massive provision of business development services geared towards improving firm capabilities	76.7	Good performance
Strengthen system capacities to enable and harness benefits of coordinated private sector activities	68.8	Good performance

Source: Field Findings

3.3.1 Improve management capacities of local enterprises through massive provision of business development services geared towards improving firm capabilities

The planned outputs for FY2022/23 include: industrialization accelerated and jobs created; investment licensing and aftercare services provided, investor education and stakeholder facilitation, monitoring and evaluation conducted. The BUBU Exhibition was held, Compliance with the Hire Purchase Law increased, Insolvency services were provided, and enterprise training and advisory services were provided. The performance of the outputs is given hereafter:

Industrialization accelerated and jobs created: The UIA acquired foreign direct investment (FDI) intelligence tools targeting investors for Africa, 33 domestic investors (31 in agro-processing value addition, 2 in manufacturing) that operate in the UIA industrial parks were linked to UDB for financing. A total of 100 viable private sector investment projects seeking collaboration and partnership were profiled and 1,500 participants attended the Uganda - EU Business Forum. Through the Uganda-EU Forum, the UIA linked 2 companies in coffee and Tea (Paradise Bugisu Coffee and Kigezi Highland Tea respectively) to market opportunities through the France Chamber of Commerce.

Investment licensing and aftercare services provided: The UIA licensed 328 projects worth USD 10.51bn and projected employment of 38,083 jobs during the period. A regional one-stop centre for business registration and licensing was established in Arua, and a total of 101,970 transactions were handled through the E-BIZ platform at the One Stop Centre (OSC). The OSC was certified for both ISO 9001 (Quality Management) and ISO 45001 (Environmental and Occupational Health) standards. It was observed however that The OSC lacked institutional representatives with the authority to make critical decisions on business facilitation. A concept note regarding growing Uganda's investment ecosystem, operationalization of district investment committees (DICs) and regional business development services centres was developed in collaboration with USAID. The UIA integrated other key MDAs that play a major role in facilitating business registration and licensing on the E-BIZ Platform and key services were added onto the platform to facilitate business registration and licensing for quick business operations.

The UIA developed a framework for *Deal Room* to link domestic investors to financing and prepared the draft annual state of investment report FY 2021/22. The authority also linked six MSMEs to well-established firms for value addition, technology transfer, market access and workspace, facilitated the top 100 SME Survey, the Women in Business Initiative, and supported the establishment of business development services (BDS) for SMEs and startups.

Investor Education and Stakeholder Facilitation: The UIA linked 9 SMEs to the consortium for enhancing University responsiveness to Agribusiness Development Ltd (CURAD) for production and processing using the common user facility and 13 SMEs were linked to Marula Protein for skilling in black soldier fly insect technology. Eight investor sensitization meetings were held with the Uganda National Oil Company, Saachi Manufactures (U) Limited, Tunga Nutrition Limited, Simbisa Group, Masdar LCC, and Ecopharm Pharmacy. In addition, 100 SMEs (30 cross-border SMEs and 70 Textile SMEs) were profiled and entered in the SME database and updated for purposes of tracking. A business development services framework was established and an SME outreach program through the development of business ideas and the BDS was undertaken.

Monitoring and Evaluation: The MoTIC planned to complete the Trade Remedies Bill, Consumer Protection Bill, and the Competition Bill. Review the Hire Purchase Regulations and Tobacco (control & marketing) Act 1967, and mainstream the PPDA Act, Public-Private Partnerships Act and Local Content in BUBU policy implementation.

By 30th June 2023, the Competition Bill had been passed by Parliament awaiting the President's assent, and the Consumer Protection Bill was under final drafting. The hire purchase regulations and tobacco (control & marketing) Act, 1967 were reviewed. The draft trade licensing rates and grades for the new cities were submitted to the Attorney General's chambers for review and clearance. The MFPED and MoJCA were engaged in modalities and options for access and utilization of accrued COMESA merger fees to Uganda.

The MoTIC inspected 25 licensed tobacco stores and monitored tobacco marketing activities in South Western/Bunyoro, West Nile and Northern regions for compliance with the Tobacco (Control & Marketing) Act and Regulations.

Compliance with Hire Purchase Law increased: The MoTIC engaged nine out of the planned ten businesses conducting hire purchase business in Masaka, Mbarara, Fort Portal Mbale, Soroti, Lira, Gulu, Arua and Hoima cities where compliance was emphasized to facilitate any legal redress where disputes arise and sales agreements were reviewed for any exploitative clauses. Businesses covered were benefiting mostly women and youth whose incomes are low and therefore cannot afford one-off payments for some goods/items. New companies were also licensed as they were doing hire-purchase business without licensing.

The BUBU Exhibition held: The National BUBU exhibition was not undertaken due to financial constraints, however, MoTIC monitored and evaluated shelf-space allocations to local products in supermarkets in Gulu, Lira and Arua Cities, to guide the BUBU Policy. The views of three LGs (Bugiri, Budaka and Namutumba) on the proposed establishment of BUBU marketing centres in their respective LGs were compiled. The MoTIC also participated in the 2022 UMA exhibition where services offered by the ministry were explained and showcased to the traders. Supermarket owners in Mbale and Jinja cities were engaged and their views on the introduction and implementation of the e-FRIS system were compiled.

Insolvency services provided: The URSB planned to train 100 people on the insolvency law and the business community trained on corporate rescue mechanisms. By 30th June 2023, sensitization on insolvency procedures was carried out in the Mbarara region and a total of 451 stakeholders were trained about the insolvency law. These include the business community, lawyers, accountants, financial institutions, and 31 judges.

Enterprise Training and Advisory Services provided: The MoTIC trained 1,290 MSMEs (730 males, 553 females and 7 PWDs) on making business plans, financial literacy, resource mobilization, business negotiations and record-keeping. Additionally, 60 MSMEs were mobilized and sensitized on the formation of private sector associations in Soroti City and Soroti Local Government. Three capacity training meetings were conducted for 30 ToTs for sector associations and five private sector associations were engaged in start-ups in Mpondwe in Kasese, Bunagana in Kisoro, Masindi and Adjumani districts.

The Ministry also skilled and trained 883 out of the planned 1,000 SMEs in barcoding and credit training from the cities of Kampala, Mbarara, Mbale, Gulu, Fortportal and Lira. The MoTIC in collaboration with the Common Market for Eastern and Southern Africa (COMESA) Africa Leather and Leather Products Institute (ALLPI) conducted several capacity-building programs for the leather sector players such as: the establishment of hides and skins traceability systems, certification of eco-friendly leather products, application of leather standards and setting up systems, among others. The MSMEs leather business incubation centre at the Management Training and Advisory Centre (MTAC) was launched and 90 SMEs were trained.

3.3.2 Strengthen system capacities to enable and harness benefits of coordinated private sector activities

The planned outputs for the FY2022/23 were: product samples tested; product development; product and services market research conducted; policies, regulations and standards developed, MSMEs information services provided, annual national symposium organized, business development services provided, ICT systems and infrastructure managed; Enterprise Training and Advisory Services (MTIC), and capacity strengthened. The performance of the monitoring outputs is given hereafter:

Product samples tested: The UNBS tested a total of 25,287 product samples against an annual target of 30,000 and participated in Inter-Laboratory Comparison schemes (ILCS). Under the measurement inter-lab comparisons, the National Measurement Laboratory (NML) participated in measurement inter-laboratory comparisons in liaison with the East Africa Metrology Organisation (EAMET), *Physikalisch-Technische Bundesanstalt*/German Metrology Institute (PTB) and UNBS Inter Lab comparison (ILCs) Scheme. This was aimed at maintaining the laboratory standards and international best practices.

The NML also prepared artefacts of temperature, mass and pressure under the UNBS ILCs. These were distributed to various calibration labs and NML was in the process of compiling reports. At the laboratory level, Intra-laboratory comparisons were done based on the ILCs to support competence declaration for metrologists. The chemistry and microbiology laboratories maintained the South African National Accreditation System (SANAS) and accreditation to ISO/IEC 17025:2017 and 15 samples were tested under the proficiency testing scheme however, the application for laboratory quality management system accreditation was still ongoing.

Product development undertaken: A total of 542 of the planned 700 product development, marketing and innovations were established with other countries to improve on products through business-to-business collaboration. In addition, 325 females and 117 male-owned MSMEs were mobilised and vetted to attend the 22nd East African Community Micro-scale and Medium Enterprises (EAC-MMEs) exhibition in Kampala where they showcased their innovations with their counterparts from other countries. A total of 187 women benefited from the regional marketing exhibitions for women MSMEs in the handcraft sector in Arua, Hoima, Fortportal, Mbarara, Mbale, Lira, Jinja and Kampala.

A total of 703 out of the planned 3,600 MSMEs were mobilized and sensitized on the importance of product certification, audits, good manufacturing practices and good hygiene practices for enterprises. The sensitization benefited 204 females and 499 males in the districts of Agago, Pader, Masaka City, and Kyotera. The achievement of targets was affected by inadequate releases. In addition, the UIA in collaboration with the PSFU supported SMEs in product certification (Q-Mark) and as a result, over 700 products across various sectors were certified.

Product and services market research conducted: The MoTIC monitored and evaluated the implementation of the amended trade licensing rates and grades (Municipality Rates and grades) in 10 cities (Hoima, Fort Portal, Mbarara, Masaka, Jinja, Arua, Gulu, Lira, Soroti and Mbale) and 6 LGs (Mityana, Kagadi, Kakumiro, Kibale, Kagadi, Kikube and Masindi) as planned to ensure compliance to eliminate exploitation of traders and revenue leakage through wrong rates and grading.

The MoTIC also held a meeting, where trade licensing returns received from 5 municipalities (Busia, Kabale, Kasese, Tororo and Iganga) were reviewed and analyzed for compliance with the Trade Licensing (Amendment) Act, 2015. The draft licensing rates and trading area grades were developed for the new Cities. Monitoring and inspection of foreign traders in the Northern region was undertaken to ensure they are licensed, operating within permitted areas by the Trade Licensing Act and issued with license terms.

The UIA held the East Africa Jua-kali Expo from 8th to 18th December 2022 at Kololo to showcase a variety of Ugandan-made products. Over 1,500 exhibitors from the seven East African Community partner states participated. The expo aimed at presenting a key platform for mobilizing the informal sector through its national chapters in the EAC partner states to participate in the promotion and implementation of the EAC agenda, policies and programmes.

The UIA established and anchored online BDS onto the MSME portal to facilitate virtual access to BDS across the country. Through developing working partnerships with the Ministry of Local Government (MoLG), LED and USAID-Strategic Investment Activity, a total of 20 Local Economic Development Investment Committees (LEDICs) were established in six districts of Soroti, Mbale, Arua, Gulu, Kasese and Ibanda replacing the District Investment Committees.

The Uganda Export Promotion Board participated in the 5th China International Import Expo 2022 in Shanghai China, plus 55 new exporters were created through the UEPB Export Readiness program and activities. A total of 17 clients who expressed interest in exporting were registered and enrolled on the Export Readiness Program. The UEPB also participated in the training on e-commerce services organized by the Africa Continental Free Trade Area and validation of the Africa Continental Free Trade Area Protocol on women and youth in the services and product trade was undertaken.

One out of the planned four services exporter training workshops were conducted and 15 companies in the sector of IT-enabled services sector were trained in collaboration with the International Trade Centre.

The UEPB conducted two producer export awareness and information dissemination campaigns in the West Nile region and the South-Western region. It also conducted a pre-capacity assessment for product value chains of interest to the Algerian buyers and an export readiness self-checker for 33 companies during the 2022 UMA Trade Fair was undertaken. The capacity for 60 doctors under the Uganda Medical Association was built on medical services exports.

Policies, regulations and standards: A total of 215 MSMEs out of the planned 500 were trained on making business plans, financial literacy, resource mobilization, business negotiations and record keeping among others benefiting 129 males, and 86 females in the districts of Kitgum, Lamwo, Gulu City, Gulu DLG, Omoro. Arua, Obongi Omoro, Mbale City, Kumi and Budaka, Yumbe and Moyo.

The MoTIC completed the draft of two out of the planned four strategies as follows; the branding and packaging strategy and wood and furniture strategy were finalised. The agriculture produce marketing bill was not developed owing to the advice from the Office of the Attorney General that the strategy was not required since other existing laws address the issues.

MSMEs Information Services provided: A total of 700 out of the planned 1,000 MSMEs were trained in resource efficiency, gender violence and environmental issues, product marketing and value addition in Kitgum, Gulu, Arua, Masindi and Hoima districts benefiting 257 men, 350 women and 93 youth. A functional prototype for the Business to Business (B2B) market intelligence and E-learning Platforms were developed.

In addition, the UIA developed the NSME Portal to 80% with a dashboard and six modules for SME profiling, reporting, and business support organization plus the Local Government Investment and Enterprise Framework (LGINE) tool developed and pretested in 9 cities. The tool allows SMEs to access essential business information and services from anywhere with an internet connection to facilitate business operations. It also allows easy traceability of SMEs using digital maps, provides online incubation and SME business development services and allows self-registration of SMEs. It is also an alternative vetting tool for de-risking MSMEs for financing through the credit scoring model.

Annual national symposium organized: One out of the planned two annual national symposiums was organized in commemoration of International MSME Day and attended by over 200 MSMEs.

Business development services provided: A total of 3,200 (1,960 males and 1,240 females) out of the planned 4,300 MSMEs mobilized and sensitized on the importance of formalizing and registration of businesses in the Districts of Agago, Pader, Nakaseke, Nakasongola Masaka City, Kyotera, Bugiri, Busia and Tororo, Sheema, Buhweju and Bushenyi.

Business development services provided (Under the Competitiveness and Enterprise Development Project): This was implemented by the Private Sector Foundation through the Competitiveness and Enterprise Development Project (CEDP). During the FY2022/23, the CEDP planned to streamline systems, processes and procedures for business investment and enterprise development, registration and licensing; and develop a tourism information system (TIMS); these were implemented under the component of upstream support to enable market growth as discussed below.

Tourism Information Management Systems (TIMS): The contract for designing the Tourism Information Management Systems (TIMS) was signed and implementation commenced. It is expected to be finalized on February 26, 2024. The Domestic Household Survey (DHS) was not done but ToRs were developed; development and compilation of the Uganda Tourism Satellite account for 2022 was at concept note level, and specifications of hardware and software ICT equipment for the TIMS were developed and submitted to the funder for review.

Quality assurance realized in tourism business: The review and harmonization of the tourism licensing and taxation framework were reviewed and a report was submitted to the Ministry of Tourism, Wildlife and Antiquities (MoTWA). The contract for the development of the tourism quality and assurance framework and associated regulations and guidelines was at final review for clearance by the funder.

Destination planning and identification of investment opportunities: The Pearl of Africa Tourism Expo (PoATE) 2023 was undertaken and a report was being drafted by the end of the year. The development of an Integrated Destination Development Plan (IDDP) for the North-Western tourism development area (Albertine Graben) was ongoing and expected to be finalized by October 2023.

Destination branding, marketing, and promotion of the MICE industry: Assorted furniture and furnishing items were supplied and installed at the Meetings Incentives, Conferences and Events (MICE) bureau however procurement of consultancy services for supporting the operationalization of the bureau was at the negotiation stage and the consultancy to develop a Content-Bank (photography and videography) for MICE and leisure tourism promotion was retendered.

ICT systems and infrastructure managed: The CEDP planned to renovate, refurbish and construct structures at the Uganda Museum (UM), Uganda Wildlife Education Centre (UWEC), Uganda Hotel and Tourism Training Institute (UHTTI), and Uganda Wildlife Research Training Institute (UWRTI). These were implemented under the component of product development and investment as discussed hereafter.

Modernization and expansion of the Uganda Museum: The procurement of consultancy services for the design and supervision of construction works at the Uganda Museum was at the contracting stage, while specifications for equipment and software for digitalization of the Uganda Museum were developed and a request for approval was sent to NITA-U. A contract to procure consultancy services to develop the strategic plan and options study for sustainable and performance-based management of the Uganda Museum was signed.

Modernization and redevelopment of Uganda Wildlife Education Centre (UWEC): Transport equipment for UWEC (1 rig van and 3 golf carts, 1 double cabin pick up, and 1 tourism customized truck) were procured and delivered however the contract for the boat was cancelled. Evaluation of the bid for the construction works of the proposed redevelopment of tourism and wildlife facilities at UWEC was finalised and submitted to the contracts committee. The ESIA for infrastructure developments in the UWEC was under implementation and the procurement of information, education, communication, and marketing (IEC&M) materials was at request for quotations from the shortlisted firms.

The Uganda Hotel and Tourism Training Institute (UHTTI) completed and operational: The construction works for the additional 30-room floor at the UHTTI was awarded to ROKO Construction Limited and civil works were estimated at 68% by 30th June 2023. Pending works included final finishes on the compound, tiling, final painting, plumbing and electrical works. Assorted laundry equipment was delivered and installed at the hotel and the contract for the supply and delivery of kitchen and bar equipment was signed. The designs for the UHTTI phase II construction works were updated and the evaluation of bids was ongoing.



Top left: Some of the laundry equipment procured for the Uganda Hotel and Tourism Training Institute (UHTTI). Top right: Renovation works at the reception area of the UHTTI. Bottom: Front view of the UHTTI under renovation in Jinja District

Uganda Wildlife Research and Training Institute (UWRTI) upgraded and operational: A review and update of the strategic plan, and a business plan for UWRTI was ongoing while the contract for the supply and delivery of ICT and GIS equipment for UWRTI was signed for lot 2. Two (02) motorcycles were delivered however, delivery of two double cabin pick-ups and one customized field tourism truck were yet to be delivered. The supply and delivery of one (01) marine boat and lot II equipment was at the contracting stage. The supply, delivery, and installation of assorted research equipment for lot 1 to lot 6 was at bid evaluation and construction works had not commenced. Overall, most of the planned outputs under the CEDP were behind schedule and at the initial stages of procurement.

Enterprise Training and Advisory Services (MoTIC): A total of 240 out of the planned 2,150 youths and women were mobilized for entrepreneurship start-ups and business formalization in 10 cities of Arua, Gulu, Jinja, Mbarara, Mbale, Masaka, Moroto, Fort Portal, Lira, and Soroti. Additionally, 120 youths were mobilized and benefited from enterprise advisory services and nine PWDs in the districts of Kamuli, Iganga, Lira City and Kole LG were trained.

In addition, a total of 60 out of the planned 70 capacity training meetings were conducted for 312 trainer of trainers (ToTs) for sector associations and 10 private sector associations were engaged on the importance of entrepreneurship start-ups and business start-ups benefiting 27 males and 33 females in Sironko, Bududa, Kabarole and Bunyangabu districts. Also, two private sector associations were formed in Ngora and Serere districts.

The MoTIC built a capacity of 680 (300 females and 380 males in the manufacturing and agro-processing sub-sectors) of the planned 1,000 MSMES in barcoding, credit rating and resource efficiency in cities and districts of Kampala, Isingiro, Bushenyi Mbarara, Mbale, Gulu and Fort Portal, and Lira. Additionally, capacity building and legalization of 62 of the planned 125 women artisanal miners, business development services and industrial development skills was enhanced.

Capacity strengthened: The UIA redesigned the e-Biz platform (www.ebiz.go.ug) and integrated two agencies (UFZA and Ministry of Lands) on the platform (https://www.ebiz.go.ug/). The UIA was working with NITA-U to integrate e-Biz with systems of other MDAs under the One Stop Centre (OSC), and the resource centre on the UIA website (www.ugandainvest.go.ug) was regularly updated to provide current information on investment for download and public use. The UIA also established a physical OSC at the UBFC building in Kololo and secured premises for Mbale Regional OSC. The procurement of premises for Arua Regional OSC was initiated to ease the doing of business and was yet to be completed. Annex 4 shows the sub-programme performance.

Conclusion

The overall sub-programme performance was good at 72.5% (Annex 4). The intervention of improving management capacities of local enterprises through massive provision of business development services geared towards improving firm capabilities performed better at 84.2% compared to the intervention of strengthening system capacities to enable and harness benefits of coordinated private sector activities which performed at 77%. This was attributed to the poor performance of outputs under CEDP/PSFU that are related to infrastructure development. Several jobs were reportedly created and investors were supported by the UIA and UFZA through the One-Stop Centre, e-biz platform and investor round tables but supporting evidence was not available. The UNBS conducted several sample tests in the chemistry and microbiology laboratories for conformity to standards.

Some bills including the Competitions Bill, Consumer Protection Bill, and Tobacco Control Regulations were drafted and tabled in Parliament and Cabinet and some awaited Presidential ascent. The construction works for the UHTTI in Jinja progressed well, however, works had not started for the modernization, redevelopment and expansion of the Uganda Museum and Uganda Wildlife Education Centre (UWEC). It was observed that most of the government agencies under the PSD Programme continue to work in silos, especially in the provision of similar services such as business development services, capacity building and support to MSMEs which limits efficient use of resources due to duplication.

Recommendations

1. The CEDP Coordination Unit should expedite the implementation of the planned activities to achieve the planned outputs on time and cost.
2. The PSD Programme Working Group should enhance synergies between implementing agencies on the delivery of common services such as Business development services and capacity building for increased efficiency.
3. The partners at the One-Stop Centre should deploy officers at the facility with the capacity to make critical decisions.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The overall PSD Programme performance was good at 74% against the financial performance of 99%. The Institutional and Capacity Development Sub-programme performed better at 75.4% compared to the Enabling Environment Sub-programme at 72.5%. The overall outcome indicator performance was fair.

The interventions related to the provision of investment information and systems set up such as OSC and E-BIZ platforms for access to investment information registered good performance. The performance of intervention related to the development of relevant infrastructure for private sector growth was fair but infrastructure development under the Competitiveness and Enterprise Development Project was poor.

The development of most policies, strategies, regulations and laws streamlining business processes, procedures and systems was not finalised. The utilization/uptake of funds under the PDM Financial Inclusion Pillar and Small Business Recovery Fund (SBRF) was still low due to stringent guidelines and low awareness about the funds respectively.

Inadequate manpower at UIA, UFZA, and UEPB with almost half of the positions not filled delayed some outputs. Some of these included approval of alternative sites for the wastewater treatment plant, solid waste treatment plant and SME Park for the KIBP. This was further exacerbated by the planned but postponed merger of agencies which affected the quality of staff recruited on a replacement basis and low morale among those still employed.

The delay in provision of physical infrastructure such as serviced industrial parks and the export processing zones that promote production and systems that quicken and smoothen business processes is likely to increase the cost of doing business. In turn, this will negatively impact the attainment of some of the objectives under the NDPIII for the Private Sector Development Programme.

4.2 Recommendations

1. The MoTIC should expedite the finalisation of policies, laws and regulations related to streamlining business processes and systems to ease doing business in Uganda.
2. The Bank of Uganda through the PFIs should popularise the availability of the SBRF to increase uptake of the fund and facilitate business recovery to increase the uptake of funds.
3. The UIA should expedite the process of approving the alternative land for the waste treatment plant and SME Park for the KIBP Infrastructure Development Project, to avoid further delays and cost overruns.
4. The CEDP Coordination Unit should expedite the implementation of the planned activities to timely achieve the planned outputs.

REFERENCES

Bank of Uganda (2022) Small Business Recovery Fund Progress Report September 30, 2022.

Government of Uganda (2020) National Development Plan III, FY 2020/21 to FY2024/25 (NDPIII), National Planning Authority, Kampala.

National Planning Authority (2021) National Development Plan Programme Implementation Action Plan, Kampala.

MFPED, (2021)2022/23: *Approved Estimates of Revenue and Expenditure* (Recurrent and Development) Volume 1: Central Government Votes FY 2022/23. Ministry of Finance, Planning and Economic Development, Kampala.

MFPED, (2023) Integrated Financial Management System Data FY 2022/23 (Development and Recurrent) as of 30th June 2023.

Ministry of Finance, Planning and Economic Development, Kampala. (2022); *Ministerial Policy Statement, FY* 2022/23 *(Kampala 2022).*

Ministry of Finance, Planning and Economic Development, Kampala. (2023); *Quarterly Performance Reports FY 2022/23.*

Uganda National Bureau of Standards (2023); *Quarterly Performance Reports FY 2022/23.*

Uganda Export Promotion Board (2023); *Quarterly Performance Reports FY 2022/23.*

Public Procurement and Disposal of Assets Authority (2023); *Quarterly Performance Reports FY 2022/23.*

Uganda Investment Authority (2023); *Quarterly Performance Reports FY 2022/23.*

Uganda Free Zones Authority (2023); *Quarterly Performance Reports FY 2022/23.*

Annex 1: Interventions Monitored for Semi-Annual FY2022/23

Sub-programme	Intervention	Contributing MDA
Enabling Environment	Rationalize and harmonize standards institutions, and policies at local and regional level	UNBS, MTIC
	Increase accessibility to export processing zones	UFZA
	Develop and implement a holistic local content policy, legal and institutional framework	PPDA, MFPED, UIA, UNBS
	Increase accessibility to serviced industrial parks	UIA, MFPED
	Address nonfinancial factors leading to the high cost of doing business	MFPED, MTIC
	Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	MFPED, UIA
	Increase access to long-term finance	MFPED, UDB
	Increase access to affordable credit largely targeting MSMEs	MFPED, MSC
	Undertake strategic and sustainable government investment and promote private-sector partnerships in key growth areas	USADF (MFPED)
Private Sector Institutional and Organizational Capacity	Improve management capacities of local enterprises through massive provision of business development services geared towards improving firm capabilities	MFPED, Enterprise Uganda, Private sector foundation, MTIC, UNBS
	Strengthen systems capacity to enable and harness benefits of coordinated private sector activities	MFPED, MTIC

Annex 2: USADF grantees that were yet to start implementation for FY 2022/23

Enterprise Name & Location	Anticipated Duration & Grant Size	Stage of Development
Bakyabumba Farmers' Cooperative Sector: Agriculture (Coffee) Location: Luwero District	2023 – 2025 USD 96,631.94 Ug shs 353,382,953	Award review (last stage)
Kamutur Oil Seed Farmers' Cooperative Society Limited Sector: Agriculture (Maize) Location: Bukedea District	2023 – 2025 USD 88,593.14 Ug shs 329,832,254	Award review (last stage)
Kyendangara Area Cooperative Enterprise Sector: Agriculture (Maize & Rice) Location: Kitagwenda District	2023 – 2025 USD 96,631.94 Ug shs 353,382,953	Award review (last stage)
Kashaka Dairy Farmers Cooperative Sector: Agriculture (Dairy – Cheese processing) Location: Mbarara District	2023 – 2026 USD 246,148.44 Ug shs 917,412,519	Compliance review (second last page)
Mbulamuti Model Farmers Savings & Credit Cooperative Society Limited Sector: Agriculture (Maize) Location: Kamuli District	2023 – 2025 USD 93,270.07 Ug shs 340,249,194	Award review (last stage)

Enterprise Name & Location	Anticipated Duration & Grant Size	Stage of Development
Kwera Oil Seed Farmers Multipurpose Cooperative Society Sector: Agriculture (Maize & Soya Beans) Location: Dokolo District.	2023 – 2025 USD 95,531 Ug shs 353,753,398	Compliance review (second last page)
Karangura Peak Modern Coffee Farmers' Cooperative Society Sector: Agriculture (Coffee) Location: Kabarole District.	2023 – 2026 USD 247,704 Ug shs 901,891,405	Compliance review (second last page)

Annex 3: Performance of the Enabling Environment Sub-programme as at 30th June 2023

Intervention	Output	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Undertake strategic and sustainable government investment and promote private-sector partnerships in key growth areas	Business Development Services (USDAF)	3,600,000,000	100	100	13	6.5	50	Fair performance. Five out of the planned 12 grantees were funded on time to start implementation
Rationalize and harmonize standards institutions, and policies at local and regional level	Market surveillance inspections	1,296,960,000	99.9	100	9,000	4,537	50.44	Fair performance. 50% of the annual target achieved.
	Development of standards	706,040,000	100	99	600	272	45.33	Poor performance. 272 standards developed out of 600.
	Economic integration and market access	60,000,000	100	91	2	1.5	75	Good performance. The MoTIC participated in 3 bi-lateral trade negotiations
	Support to AGOA secretariat	550,329,144	100	100	4	2	50	Fair performance. Local manufacturers guided on how to benefit from AGOA.
Address nonfinancial factors leading to the high cost of doing business	Investment licensing and aftercare services	800,000,000	61.9	100	3	1.25	67.31	Fair performance. New modules developed and rolled out on the E-BIZ platform.
	Leadership management	1,227,630,000	68.3	100	5	3	87.87	Good performance with strategies developed and meetings held with potential investors.
	Facilities and equipment management	276,000,000	56.2	79	7	3.5	89.03	Good performance.
	Private sector development services	3,420,000,000	100	94	25	23	92	Very good performance. biannual Private Sector CEO Forum held and PSD services provided.

Intervention	Output	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Develop and implement a holistic local content policy, legal and institutional framework	Calibration of trade equipment	533,000,000	100	99	6,600	5,678	86.03	Good performance. 5,678 industrial equipment calibrated against the planned 6,600.
	Facilities and equipment management	4,591,749,136	69.7	100	100	50	71.77	Good performance. Equipment procured.
	Investor education and stakeholder facilitation	1,364,361,952	41.8	91	4	3	100	Good performance. Investors provided with investment opportunities on the various platforms
	Construction management	22,475,638,959	97.5	100	4	3	76.96	Good progress. Civil works at Entebbe International Airport Free Zone progressed at 63% against the planned 69%.
	Inspection and monitoring	1,324,537,000	92.6	100	6	5	89.95	The PPDA undertook inspection and built the capacity of local providers.
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	Industrialization acceleration and job creation	661,799,185	84.7	100	5	4	94.48	Very good performance, investment summits were facilitated.
	Investment climate advisory	1,111,638,829	96.4	99	4	3	77.8	Good performance. UIA provided advisories to potential investors.
	Business Development services	12,200,000,000	100	100	4	3.7	92.5	Very good performance. Enterprise Uganda provided business trainings across the country.
	Policies, regulation and standards	251,143,731	100	99	1	0.9	90	The Mpondwe border market was commissioned.

Intervention	Output	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Increase accessibility to serviced industrial parks	KIPB infrastructure development	66,360,000,000	48.7	100	10	1.9	39	Poor performance with no progress on other outputs except on roads. 39% progress.
	Industrial park development and management	300,000,000	78.3	100	4	2	63.83	Fair performance. No maintenance works on existing parks.
Increase access to affordable credit largely targeting MSMEs	Microfinance support centre services	188,290,000,000	92.6	100	19	13	73.92	Good performance. SACCOs were supported with seed capital. Over 15.942bn disbursed to 437 clients.
	PDM financial inclusion pillar	1,061,000,000,000	100	100	5	4	80	Ug shs 1,058.125bn was disbursed to 10,585 PDM SACCOs as parish revolving funds. Very good performance
	Coordination and oversight of microfinance	2,057,328,915	100	99	9	8	88.89	Good performance. financial sector-related laws and strategies were under development.
	Oversight and coordination of the non-banking sector	1,610,000,000	100	99	9	6	66.67	Fair performance. Capital Markets Development Framework was developed and Eleven (11) sets of Insurance Regulations were reviewed.

Intervention	Output	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Increase access to long term finance	Financial sector policy and oversight	1,780,554,000	100	95	7	5.3	75.71	Good performance. Oversite was provided.
	Capitalization of institutions and financing schemes	156,176,177,300	100	100	1	0.9	89.87	Good performance. Ug shs 88.5bn against a target of Ug shs 152bn was disbursed for recapitalizing Government-owned banks.
	Research and development	60,000,000	100	100	5	3	60	Fair performance. The UFZA published the enterprise survey report FY2021-22
Increase accessibility to export processing zones	Investor protection	200,526,000	100	90	7	5	71.43	Four new developers and operators were licensed.
	Legal and advisory services	659,682,000	100	100	8	6	75	UFZA acquired four land titles
	Communication and public relations	216,284,000	100	100	1	0.9	90	Very good performance
	Average Outputs Performance						75.36	***Good sub-programme performance***

Source: PBS Reports, IFMS and Field Findings

Annex 4: Performance of the Institutional and Organizational Capacity Sub-programme as at 30th June 2023

Intervention	Outputs	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Improve management capacities of local enterprises through massive provision of business development services geared towards improving firm capabilities	Industrial acceleration and job creation	250,000,000	82.4	100	5	3.4	82.52	Good performance. A total of 100 viable Private Sector investment projects seeking collaboration & partnership were profiled and linked at the Uganda - EU business forum
	Investment licensing and aftercare services	200,000,000	70	100	6	3	77.43	Good performance. A total of 101,970 transactions were handled through the E-BIZ platform at the one-stop centre (OSC).
	Investor education and stakeholder facilitation	200,000,000	75.3	100	4	3	99.67	Nine SMEs were linked to the consortium to enhance University responsiveness to Agribusiness Development Ltd (CURAD).
	Monitoring and evaluation	394,850,253	95.3	100	18	14	81.62	Trade Remedies Bill, Consumer Protection Bill, Competition Bill were being developed. Hire Purchase Regulations and Tobacco (control & marketing) Act 1967 were reviewed.
	Business development services	45,790,000	100	100	2	1	50	Fair performance
	Enterprise training and advisory services	24,106,211	100	100	2	1.5	75	Good performance.
	Enterprise training and advisory services	17,250,214	130.6	98	3	3	76.56	The MoTIC trained 1,290 MSMEs on making business plans, financial literacy, resource mobilization, business negotiations and record-keeping. Good performance.

Intervention	Outputs	Financial Performance			Physical Performance			Remark
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Strengthen system capacities to enable and harness benefits of coordinated private sector activities	Testing of product samples	1,760,000,000	100	100	30,000	25,287	84.29	25,287 product samples were tested against an annual target of 30,000. Food performance.
	Capacity strengthening	1,387,241,847	32.1	75	16	5	97	Equipment was procured for the UNBS regional labs. Very good performance.
	Product and services market research	2,492,214,989	35.8	82	15	5	93.09	The UEPB participated in local, regional and international expos. Good performance.
	Policies, regulations and standards	496,234,957	100	99	1	0.9	90	The MoTIC completed the draft of two out of the planned four strategies.
	Product development	160,378,171	100	100	1	0.7	70	A total of 542 of the planned 700 product development, marketing and innovations were established with other countries. Good performance.
	MSMEs information services	23,741,392	100	97	1,000	464	46.4	A total of 700 out of the planned 1,000 MSMEs were trained in resource efficiency, gender violence and environmental issues, product marketing and value addition
	Business development services (CEDP)	749,341,995	100	100	11	4	36.36	Poor performance
	Management of ICT systems and infrastructure (CEDP)	1,500,000,000	100	100	7	2.3	32.86	Poor performance as most of the infrastructure development activities were yet to commence except for the UHTTI.
	Average Outputs Performance						**72.47**	**Good performance**

Source: PBS Reports, IFMS and Field Findings

Plot 2 -12 Apollo Kaggwa Road
P. O. Box 8147, Kampala - Uganda
www.finance.go.ug