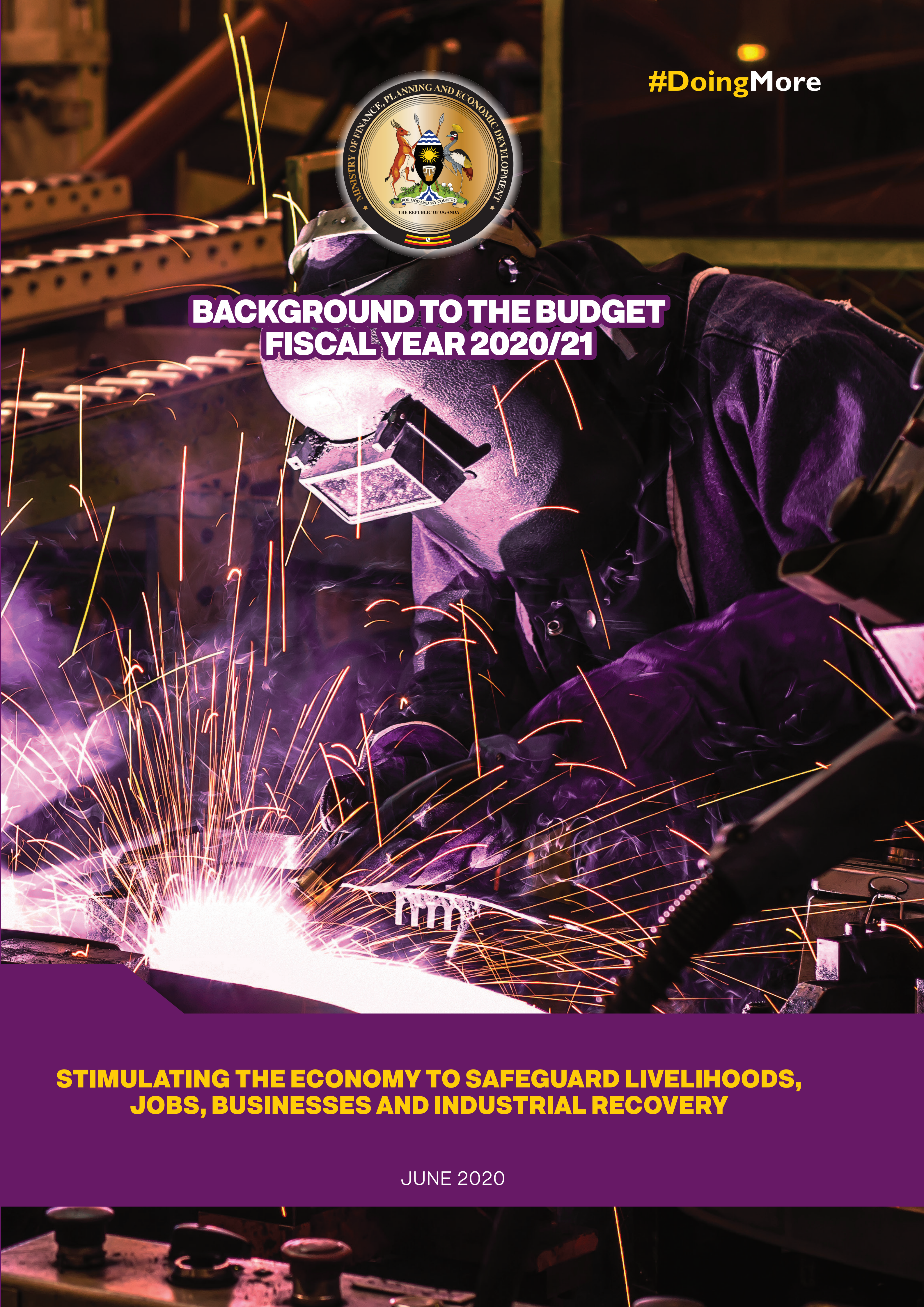

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MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

FOR GOD AND MY COUNTRY

THE REPUBLIC OF UGANDA

BACKGROUND TO THE BUDGET FISCAL YEAR 2020/21

STIMULATING THE ECONOMY TO SAFEGUARD LIVELIHOODS, JOBS, BUSINESSES AND INDUSTRIAL RECOVERY

JUNE 2020

BACKGROUND TO THE BUDGET
FISCAL YEAR 2020/21

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LIST OF ACRONYMS AND ABBREVIATIONS

ACC-LVB	Climate Change in Lake Victoria Basin
ACDP	Agriculture Cluster Development Project
ACF	Agriculture Credit Facility
AFCFTA	African Continental Free Trade Area
AFDB	African Development Bank
AGOA	African Growth and Opportunity Act
AMISOM	African Union Mission in Somalia
AU	African Union
BNITM	Bernhard Nocht Institute for Tropical Medicine
BoU	Bank of Uganda
BRS	Business Registration System
C.I.F	Cost Insurance and Freight
CAR	Central African Republic
COMESA	Common Market for East and Southern Africa
CPX	Command Post Exercise
CRM	Crisis Response Mechanism Guidelines
DAC	Development Assistance Committee
DCIC	Directorate of Citizenship and Immigration Control
DRC	Democratic Republic of Congo
EAC	East African Community
EAC-MRH	EAC Medicines Regulatory Harmonization Programme
EADB	East African Development Bank
EAJSTI	East African Journal of Science, Technology and Innovation
EAKC	East African Kiswahili Commission
EASF	East African Standby Force
EASTCO	East African Science and Technology Commission
EASTECO	East African Science and Technology Commission
EASTRIP	Eastern Africa Skills for Transformation and Regional Integration Project
ECD	Early Childhood Development
EMDEs	Emerging Market and Developing Economies
ERA	Electricity Regulatory Authority
EU	European Union
FATF	Financial Action Task Force
FEED	Front End Engineering Design
FIA	Financial Intelligence Authority
FSDS	Financial Sector Development Strategy
FID	Final Investment Decision
FOCAC	Forum on China-Africa Cooperation
GAPR	Government Annual Performance Report
GKMA	Greater Kampala Metropolitan Area
HESFB	Higher Education Students Financing Board
HSDP	Health Sector Development Plan
IBP	Integrated Bank of Projects
ICAO	International Civil Aviation Organization
ICBT	Informal Cross Border Trade
IGA	Intergovernmental Agreement
IGAD	Inter-Governmental Authority on Development
IGG	Inspector General of Government
IIAs	International Investment Agreements

IMPC	Integrated Mission Planning Course
IPC	Infection, Prevention and Control
IRA	Insurance Regulatory Authority
JAMAFEST	Jumaiya ya Afrika Mashariki Utamaduni Festival
JICA	Japan International Cooperation Agency
JLOS	Justice, Law and Order Sector
KCCA	Kampala City Council Authority
KIA	Kabaale International Airport
KIIDP	Kampala Institutional and Infrastructure Development Project
KIS	Kalangala Infrastructure Services
LMICs	Low and Middle Income Countries
LVAC	Local Value Added Content
LVB-IWRMP	Lake Victoria Basin Integrated Water Resources Management Programme
LVWASAN	Lake Victoria Water and Sanitation Project
MDI	Microfinance Deposit Taking Institutions
MFN	Most Favored Nation
ML/FT	Money Laundering/Financing of Terrorism
MSC	Microfinance Support Centre
MSMEs	Micro, Small and Medium Enterprises
MTIC	Ministry of Trade, Industry and Cooperatives
NaCRRI	National Crops Resources Research Institute
NaFIRRI	National Fisheries Resources Research Institute
NBI	Nile Basin Initiative
NCHE	National Council for Higher Education
NDP	National Development Plan
NEDS	National Export Development Strategy
NER	Net Enrolment Ratio
NFP	Nairobi Framework Partnership
NRA	National Risk Assessment
NTBs	Non-Tariff Barriers
NTR	Non Tax Revenues
OPEC	Organization of the Petroleum Exporting Countries
OSBP	One Stop Border Post
PAPs	Project Affected Persons
PCP	Pearl Capital Partners Uganda
PIDA	Programme for Infrastructure Development in Africa
PIMS	Public Investment Management System
PIP	Performance of the Public Investment Plan
PLE	Primary Leaving Examination
PPDA	Public Procurement and Disposal Authority
PRDP	Peace Recovery and Development Plan
PROCAMIS	Prosecution Case Management Information System
PSFU	Private Sector Foundation Uganda
PWDs	Persons with Disabilities
RAN	Resilient Africa Network
RBSAP	Regional Biodiversity Strategy and Action Plan
RDG	Regional Drafting Group
RECSA	Centre on Small Arms
RMNCAH	Reproductive, Maternal, New-born, Child and Adolescent Health
ROW	Right of Way
RVR	Rift Valley Railways

SAATM	Single African Air Transport Market
SAATM	Single African Air Transport Market
SADC	Southern African Development Community
SAGE	Social Assistance Grant for Empowerment
SCT	Single Customs Territory
SDF	Skills Development Facility
SDS	Strengthening Decentralization for Sustainability
SGR	Standard Gauge Railway
SMEs	Small and Medium Enterprises
SPPS	Strategic Planning Process
START	Support to Agricultural Revitalization and Transformation
STR	Simplified Trade Regime
STRs	Suspicious Transaction Reports SDGs Sustainable Development Goals
TACC	Territorial Approach to Climate Change
TICAD	Tokyo International Conference on African Development
TMEA	Trademark East Africa
TVET	Technical and Vocational Education and Training
TVET	Technical and Vocational Education and Training
TWENDE	Tuberculosis Working groups to Empower the Nations Diagnostic Efforts
UAIS	Uganda Agriculture Insurance Scheme
UBL	Uganda Breweries Limited
UCA	Uganda Cooperative Alliance
UCDA	Uganda Coffee Development Authority
UDB	Uganda development Bank
UDBL	Uganda Development Bank Limited
UDC	Uganda Development Corporation
UFZA	Uganda Free Zones Authority
UGABAG	Uganda Battle Group
UHRC	Uganda Human Rights Commission
UHTTI	Uganda Hotel and Tourism Training Institute
UIRI	Uganda Industrial Research Institute
UMA	Uganda Manufacturers Association
UNEP	United Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGU	United Nations Guard Unit
UN-OCHA	United Nations Office of the Coordination of Humanitarian Affairs
UNODC	United Nations Office on Drugs and Crime
UPE	Universal Primary Education
UPF	Uganda Police Forces
URA	Uganda Revenue Authority
URC	Uganda Railways Corporation
URDCC	Deployment Capability Center
URINET-U	Uganda Human Rights Policy Network Uganda
USDFC	United States Development Finance Corporation
UWEP	Uganda Women Entrepreneurship Programme
UWRTI	Uganda Wildlife Research Training Institute
VAT	Value Added Tax
WFP	Water for Production
YLP	Youth livelihood Project

CHAPTER 1: INTRODUCTION

The closure of FY 2019/20 marks the end of the first implementation decade of Vision 2040 and concludes the implementation period for the 2nd National Development Plan (NDP II). Over the first decade of Vision 2040, many significant changes have transpired in the country's development context providing a new baseline situation for the next decade of Vision 2040 (2020-2029), which is also the decade of action to deliver the global Sustainable Development Goals (SDGs) by 2030. National efforts to advance the country's development over the first five years (FY2020/21 to 2024/25) of this decade of action will be based on the 3rd National Development Plan (NDP III) that was recently approved by Parliament. The Budget for Fiscal Year 2020/21 is the first annual plan to that end, and the last annual plan for the manifesto of the current NRM government.

The Budget for FY2020/21 is under the theme "Stimulating the Economy to Safeguard Livelihoods, Jobs, Businesses and Industrial Recovery." Both this Budget theme and that of NDP III: "sustainable industrialization for inclusive growth, employment and sustainable wealth creation." – reflect Government's investment focus on the fundamentals and foundations for economic takeoff especially in light of the unprecedented economic context triggered by the COVID-19 pandemic. The Budget theme for FY 2020/21 is the same for all EAC Partner States, confirming the shared vision of the EAC bloc over the medium term.

The background presented in this report considers the national, regional and international sustainable development context over the annual period preceding FY 2020/21 and the outlook for the reference period using projections derived from data available prior to May 2020.

Nationally, the Budget for FY 2020/21 will be implemented at time when Uganda's population will have crossed the 41 million mark and attained an average per capita GDP of US$ 905. Over this period, Uganda's high rate of urbanization is expected to continue and the role of investment and productivity in driving economic growth will be more critical. In addition, trade in goods and services is projected to play a bigger role in the performance of the economy than ever before. This is more so the case with trade in agricultural products where Uganda enjoys a competitive advantage regionally, and because Ugandan households are now net food buyers compared to the past when they were net food producers. The heightened risks associated with the unprecedented climatic changes witnessed in FY 2019/20 are also expected to remain a main feature of the country's economic context during FY2020/21. These and other related trends signal the need to pay greater attention to on-going efforts to de-risk the economy for an improved investment climate, an improved business environment and socially inclusive economic growth. Overall economic activity is also expected to be much slower in FY 2020/21 because of the downturn in the global economy triggered by the COVID-19 pandemic.

A noteworthy in-year development that has shaped the outlook of the Budget for FY2020/21 is the launch of a new Domestic Revenue Mobilisation Strategy (2019/20-2023/24). The Strategy aims to guarantee a reasonable, realistic, and practical approach to sustainable resource mobilization by informing reforms in the tax system both in the medium and long term.

At the regional level, the outlook for economic growth is expected to be driven by impacts of the Covid-19 pandemic, developments surrounding the actualization of the African Continental Free Trade Area (AfCFTA), fiscal slippages, investor sentiments related to political elections in some countries in the region, and lack of key reforms in countries that could add to deficit and debt pressures. This outlook will likely affect trade within the region which has fallen over the past five years. Within East Africa, intra-regional exports accounted for an average of only 17.3 percent of total exports in 2017, compared to 18.9 in 2012. The region also continues to face challenges of increasing poverty, inequality and unemployment. This is further exacerbated by a slow pace of structural transformation and an economic structure characterized by low industrialization, lack of economic diversification, product differentiation and sophistication and insufficient job creation. Agro-industrialisation is therefore a key development strategy of the region.

Internationally, besides the COVID-19 pandemic, climate change, migration and deceleration of multi-nationalism remain high on the list of factors that are likely to shape the global economic and financial landscape in FY 2020/21. In addition, a slowdown in growth in China and the euro area coupled with additional trade and technology barriers could reduce global growth, both directly, through lower investment and a dislocation in global supply channels, and indirectly through adverse confidence effects and financial market volatility. Countries like Uganda whose manufacturing sector is heavily reliant on imported intermediate products from China need to initiate mitigation measures to counter the potentially disruptive effects of contraction of industrial output in China.

In terms of process, the Budget for FY 2020/21 was informed by ongoing development strategies of Government and a consultative process involving all relevant stakeholders' including Central and Local Government, the private sector, civil society organisations and Development Partners. A National Budget Consultative workshop and Economic Growth Forum were held in October 2019 to identify policy solutions to drive the country's future economic growth performance. Local Government Budget Consultative workshops were also held across all regions of the country to incorporate key issues of local economic development into the budget strategy.

The rest of this report is structured along the following chapters: Chapter Two provides a discussion on developments and prospects within the global and regional context, and associated risks in regard to Uganda's development Agenda. Chapter Three analyses Uganda's development cooperation agenda across major thematic areas and frameworks including the EAC; COMESA; AU and the UN. Chapter Four discusses the performance of the domestic economy in FY 2019/20 covering the real, monetary, fiscal and external sectors. Chapter Five discusses the Country's National development with a focus on development outcomes. Chapter Six analyses sector performance along thematic areas in FY 2019/20 and priorities for FY 2020/21. Lastly, Chapter Seven provides a summary of the macroeconomic and fiscal outlook for FY 2020/21 and the medium term.

CHAPTER 2: GLOBAL AND REGIONAL DEVELOPMENTS AND PROSPECTS

In the pursuit of its development aspirations, Uganda remains cognizant of the impact of global and regional developments on its development trajectory. This chapter analyses the global and regional landscape and the impact of developments in this space on the national economy.

2.1 GLOBAL ECONOMIC DEVELOPMENTS AND PROSPECTS

The world economy has seen a significant deterioration over the past year. By end of 2019, global economic growth had been projected to reach 3.6 percent in 2020 on account of improvements in global financial market sentiments, growth within the euro area and policy stimulus in China. However, escalating trade tensions, policy uncertainties, growing protectionism, falling commodity prices and tightening financial conditions have characterised the global environment over the past year, considerably slowing down economic activity. The recent COVID-19 global pandemic that broke out in December 2019 has further exacerbated these conditions and the global economy is projected to experience its worst recession since the Great Depression.

2.1.1 Global Economic Growth

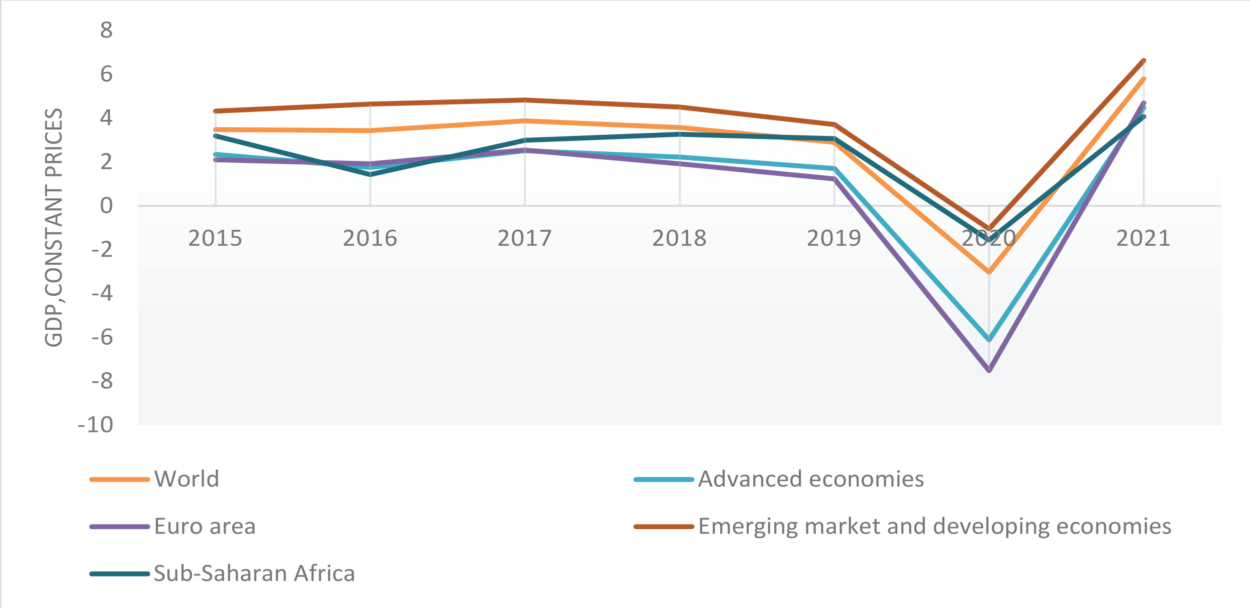
Global economic growth is projected to contract sharply by 3 percent in 2020, reducing from 3.3 percent in 2019 to 3.0 in 2020. The slowdown in growth is linked to the associated impacts of the COVID-19 global pandemic and other global conditions characterised by lower productivity, lower global demand, disruption of value chain linkages and instability in financial markets.

Growth in the advanced economy group where several economies are experiencing widespread outbreaks and deploying containment measures, is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year. For example, the United States (–5.9 percent), Japan (–5.2 percent), the United Kingdom (–6.5 percent), Germany (–7.0 percent), France (–7.2 percent), Italy (–9.1 percent), and Spain (–8.0 percent).[1]

Growth in emerging markets and developing economies is projected to contract by –1.0 percent in 2020 on account of severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0 percent), albeit more than 5 percentage points below its average in the previous decade. Figure 2.1 below shows economic growth trends among major economic groupings.

[1] IMF World Economic Outlook, April 2020

Figure 2.1: Global Economic Growth



The weakening economic activity and lower commodity prices caused global inflation to moderate further. In developed economies, inflation remained low, with headline consumer price inflation ranging from 0.7 percent in Japan to 1.8 percent in the United States in 2019.[2] Average inflation in developing countries remained fairly stable, with price pressures falling in Africa and Western Asia while increasing in South Asia and Latin America and the Caribbean. Apart from Zimbabwe, South Sudan, Liberia and Sierra Leone, economies in Africa also exhibited comparatively stable inflation rates. Inflation in the region is projected to remain relatively stable, declining slightly from 9.1 percent in 2019 to about 8.2 percent in 2020 and 7.3 percent in 2021.

The policy challenges confronting the global economy are compounded by subdued productivity growth and high levels of debt. Rapid debt accumulation has been a recurrent feature of the global economy in both advanced economies and Emerging Market and Developing Economies (EMDEs). Global debt reached an all-time high of about 230 percent of global GDP in 2018.[3] The rise in debt is particularly rapid in EMDEs. Total EMDE debt reached almost 170 percent of GDP in 2018 (US$55 trillion). The increase has occurred in the private sector, particularly in China. In contrast, in advanced economies, total debt has remained steady near the record levels reached in the early aftermath of the global financial crisis, at 264 percent of GDP in 2018 (US$130 trillion).

In low income countries which include Uganda, government debt reached 55 percent of GDP, on average, in 2019, a 19-percentage point rise since 2013, keeping debt sustainability concerns elevated. In addition, fiscal balances deteriorated on average, in 2019 with the average deficit widening to an estimated 3 percent from 2.6 percent in 2018. Fiscal deficits mostly widened among fragile low-income countries, partly reflecting low domestic revenue mobilization while public spending remained elevated. In the Europe and central Asia area, increasing public sector wages, rising government transfers, and low tax capacity, have widened fiscal deficits, with the latter approaching or exceeding 3 percent of GDP, the upper limit of the EU threshold.[4]

[2] UN World Economic Situation and Prospects,2020
[3] Global Economic Prospects, World Bank 2020
[4] Global Economic Prospects, World Bank 2020

According to the IMF, the rebound of economic growth will depend to a large extent on adoption of an appropriate policy mix. The extent of the global COVID-19 pandemic has necessitated priority policy response in building health care systems. Additional policy targeting will be required to shield vulnerable populations and businesses especially in developing countries like Uganda that are likely to be more hard hit. The role of targeted fiscal, monetary, and financial market measures to help affected households and businesses will be heightened over the rest of the year.

The global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The advanced economy group is forecast to grow at 4.5 percent, while growth for the emerging market and developing economy group is forecast at 6.6 percent.

2.1.2 World Commodity Prices

Commodity prices are important determinants of policy decisions on production, consumption, investment, trade and employment. In most developing countries, economic performance is associated with developments in the commodity sector and most least developed countries are included in the commodity dependant category. Commodity prices therefore affects terms of trade which are linked to output and productivity movements.

The fast deterioration of the global economic outlook as the COVID-19 epidemic has spread and the breakdown of the OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) agreement among oil suppliers have weighed heavily on commodity prices.[5] Prices of most commodities continued to fall from 2019 through to 2020. Emerging markets and developing economies have been particularly affected given their characteristics earlier highlighted.

The impact of falling commodity prices is economy wide. They imply a decline in demand which in turn leads to a decline in investment as a result of reduced capital flows. Declining investment suppresses output growth which reduces employment in the long run as firms and households engaged in these commodities adjust to the declining demand. As a result, GDP per capita growth in commodity- dependent developing countries fell from 2.9 per cent per annum in the period 2010-2014 to only 0.5 per cent in 2015-2019.[6] Moreover, oil exporting countries including Nigeria, Angola and South Africa among others are still being impacted by the 2014-2016 commodity price downturn.

Oil prices declined by 7.3 percent between August 2019 and February 2020, falling from US$57.60 to US$53.40, before further declining by 39.6 percent in March to US$32.30. The COVID-19 outbreak abruptly reversed a positive trend as containment measures directly hit the transportation sector, which accounts for more than 60 percent of oil demand. Confronting a weak demand environment, the OPEC+ coalition broke down on March 6, 2020, leading to the worst one-day price drop in the oil market since 1991.[7] International and domestic travel restrictions throughout the world and a sharp reduction in road traffic are expected to lead to an unprecedented decline in oil demand in 2020. The persistently weak demand for crude oil saw a drop of 65 percent (a fall of about US$40 a barrel) in crude oil prices. Depending on the new normal that emerges in the transport sector

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[5] IMF World Economic Outlook, April 2020 https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020

[6] UN World Economic Situation and Prospects, 2020.

[7] IMF World Economic Outlook, April 2020

in the post COVID-19 period, the continued decline in global oil prices could affect Uganda's emerging oil and gas sector, whose development is in advanced stages. However, as an oil importing country currently, Uganda will benefit from the price drop through lower energy costs that will support the industrial sector.

Base Metal prices declined by 5.5 percent between August 2019 and February 2020 and by an additional 9.1 percent in March. Metal prices are expected to decrease by 15 percent in 2020 and 5.6 percent in 2021. The shutdown of Chinese factories in February and later, in Europe and the United States, has weighed heavily on the demand for industrial metals. China accounts for about half of major metals global consumption.

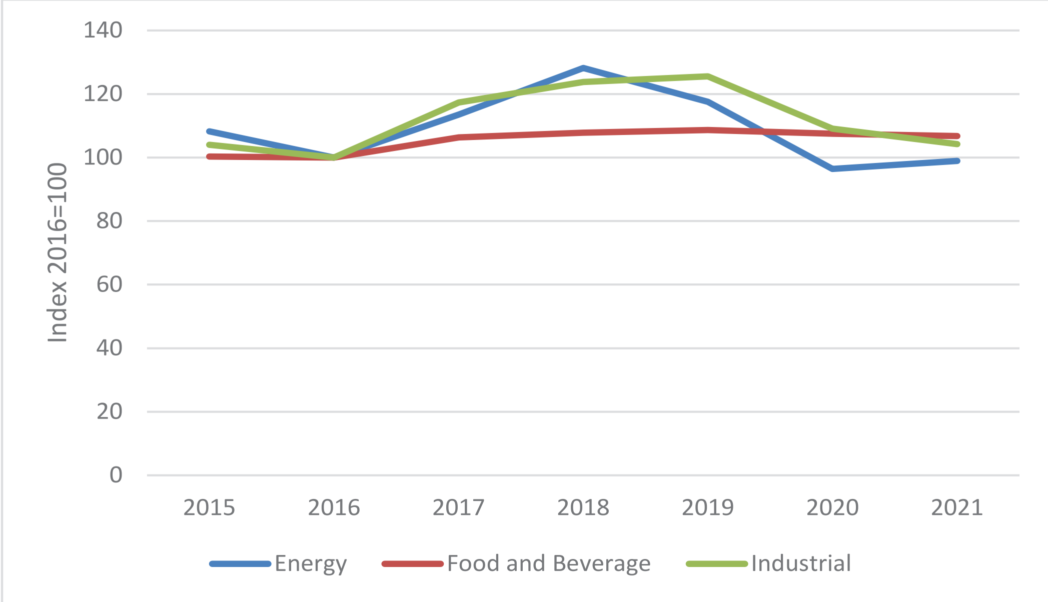
The IMF annual base metals price index is projected to decrease by 10.2 percent in 2020 and by a further 4.2 percent in 2021 on expectations of a sharp decline in global industrial activity. A further and more prolonged slowdown in metal-intensive sectors' economic activity remains the most significant downside risk for metal prices.

Uganda's manufacturing sector will be affected by these developments. Base metals and other non-precious minerals like iron together with manufactured steel, make up Uganda's top non-traditional exports. In addition, a significant portion of intra-African trade occurs in manufacturing. The drop in metal prices will negatively impact industrial production in Uganda and within the region.

Food prices are projected to decrease by 1.8 percent in 2020 and then increase by 0.4 percent in 2021. Buoyed by strong global demand, tighter supply conditions, and news of the US–China Phase one trade deal, prices of many foods and beverages rose substantially until January, but the COVID-19 pandemic reversed this trend, especially for the prices of agricultural raw materials, such as cotton and wool. The recent oil price decline has put downward pressure on prices of palm oil, soy oil, sugar, and corn, while the pandemic reduced demand for some agricultural raw materials and animal feed. It however provided price support for wheat, rice, orange juice, and arabica coffee, which put Uganda at an advantage with coffee as its top agricultural export. In addition, the increased demand for food occasioned by the pandemic will benefit Uganda, whose export basket is largely composed of agricultural products.

Food prices are projected to decrease by 2.6 percent in 2020 and increase by 0.4 percent in 2021. Supply chain disruptions, possibly due to trade restrictions or border delays, food security concerns in regions affected by COVID-19, and export restrictions in large food exporters are significant risks to the outlook for food prices. Figure 2.2 below shows the trend in commodity prices over the last seven years.

Figure 2.2: Selected World Commodity prices



2.1.3 International Trade

The significant slowdown in the global economy, persisting trade tensions, climate shocks and the resulting policy uncertainties have affected global trade significantly. In 2019, growth in the volume of global trade in goods and services decelerated sharply to a post-crisis low of 0.3 percent from 3.9 percent in 2018.[8]

Trade tensions between the United States of America and China caused significant disruptions to international supply chains especially of global electronics and automobile sectors, which have extensive cross-country production networks. United States and China together account for nearly 40 percent of global GDP, nearly a quarter of global trade, and an even larger share of capital goods trade.[9] Trade uncertainty related to Brexit, complaints against Indian tariffs by several countries, mutual allegations of protectionism between the European Union and the United States, and a trade dispute between the Republic of Korea and Japan have also contributed further to uncertainties surrounding the global trade environment.

Global merchandise trade fell significantly in 2019 (Figure 2.3) on account of a contraction in import demand from China and other emerging Asian economies. Slowing capital expenditure as well as disruptions in the automotive industry also dampened import demand in the euro area. For the large commodity exporters, including several economies in Africa, Western Asia and Latin America, import growth has remained weak, as subdued commodity prices continue to weigh on domestic investment activity. The slowdown in global goods trade has been broad-based, with particularly pronounced weakness in EMDEs in the East Asia and Pacific region. This is on account of decline in global capital and intermediate goods production in 2018.[10]

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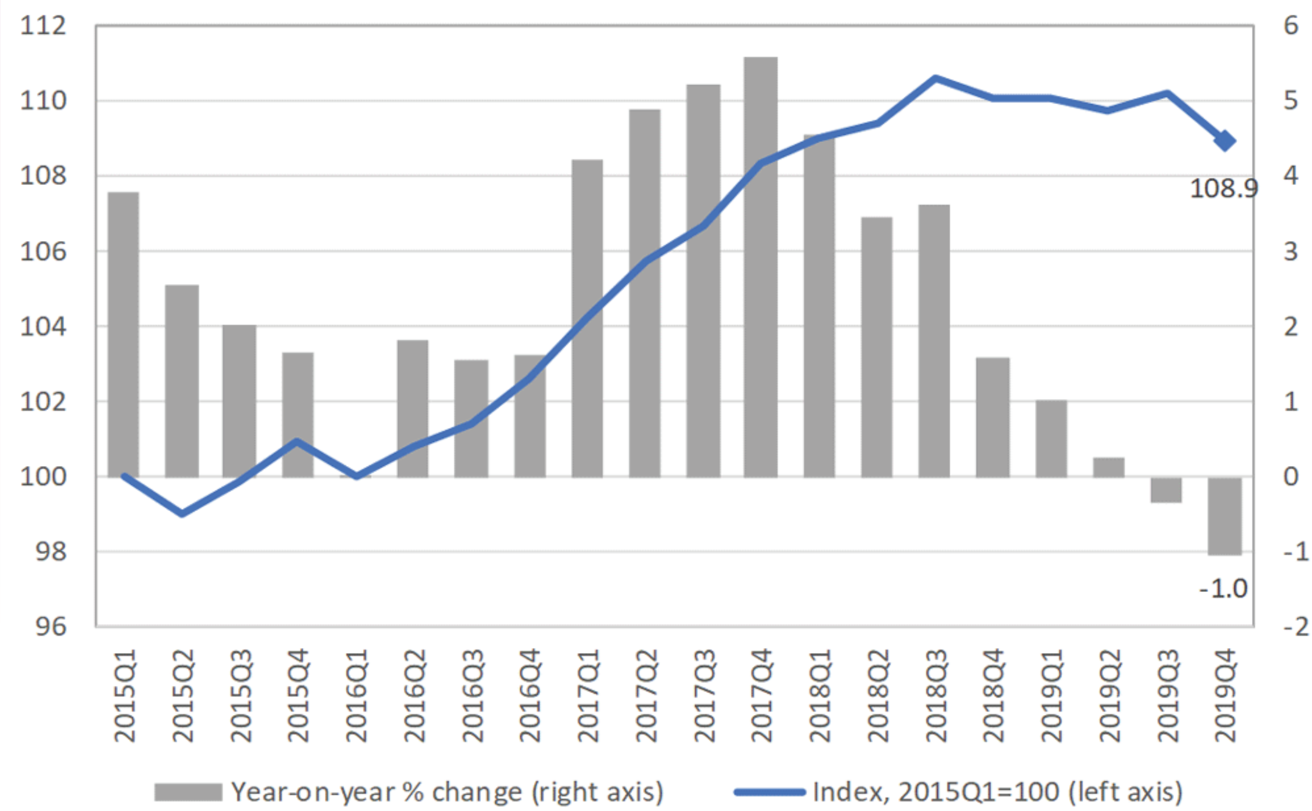
[8] UN World Economic Situation and Prospects,2020
[9] World Bank Global Economic Prospects, 2020
[10] World Bank Global Economic Prospects, 2020

Figure 2.3: World Merchandise exports and imports, 2015-2019



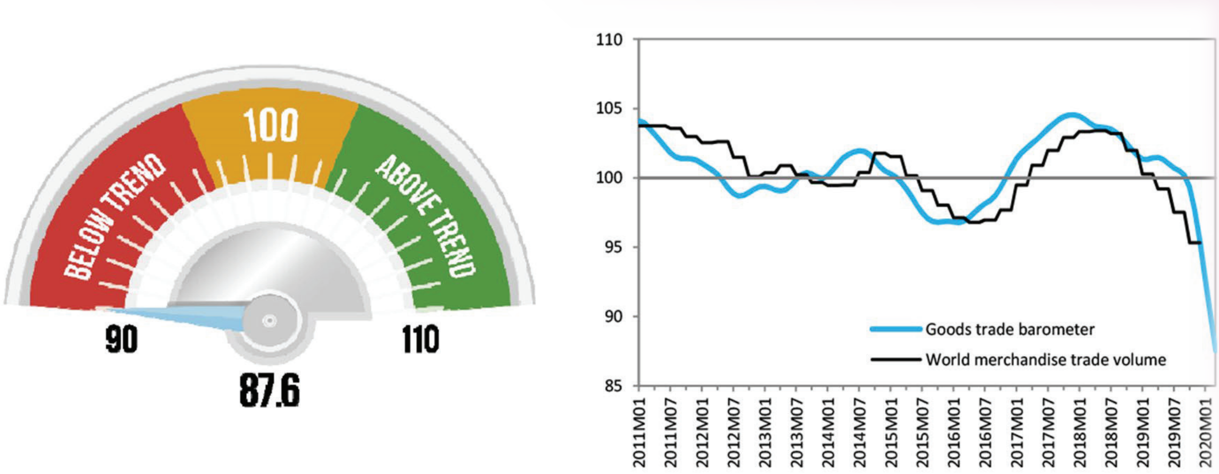
Source: WTO, 2020

World merchandise trade is set to plummet by between 13 and 32 percent in 2020 due to the COVID-19 pandemic. Nearly all regions are expected to suffer double-digit declines in trade volumes in 2020, with exports from North America and Asia hit hardest. Services trade may be most directly affected by COVID-19 through transport and travel restrictions. Trade is further expected to fall steeper in sectors with complex value chains, particularly electronics and automotive products.[11]

According to the WTO Goods Trade Barometer released on 20 May, 2020, the volume of world merchandise trade is likely to fall precipitously in the first half of 2020 as the COVID-19 pandemic disrupts the global economy. The barometer provides real-time information on the trajectory of world merchandise trade relative to recent trends. The index currently stands at 87.6, far below the baseline value of 100, suggesting a sharp contraction in world trade extending into the second quarter. (Figure 2.4). This is the lowest value on record since the indicator was launched in July 2016.[12] All of the barometer's component indices are currently well below trend. The automotive products index (79.7) was weakest of all, due to collapsing car production and sales in major economies. The sharp decline in the forward-looking export orders index (83.3) suggests that trade weakness will persist in the short-run. Declines in the container shipping (88.5) and air freight (88.0) indices reflect weak demand for traded goods as well as supply-side constraints arising from efforts to suppress COVID-19. Only the indices for electronic components (94.0) and agricultural raw materials (95.7) show signs of stability, although they too remain below trend.

[11] https://www.wto.org/english/news_e/pres20_e/pr855_e.htm
[12] https://www.wto.org/english/news_e/news20_e/wtoi_19may20_e.htm

Figure 2.4: WTO Goods Trade Barometer, 2020



Source: WTO, 2020

Continued trade policy uncertainty could lead to a slump in investment activity which has spillover effects on productivity and output growth. The increase in prices of goods as a result of tariffs will lower household purchasing power and consumer welfare, especially if domestic and imported goods were not easily substitutable.

The U.S.-China Phase One agreement, signed in October 2019 contributed to a notable de-escalation of trade tensions. Other positive developments such as progress in the ratification of the Africa Continental Free Trade Agreement, the U.S-Japan trade agreement, and the United States-Mexico-Canada Agreement are expected to give a much needed boost to trade growth.

Global trade growth is expected to rebound only modestly to 2.3 per cent in 2020 and 3.2 per cent in 2021. However, this outlook is at risk to prolonged trade tensions. Slower growth in China and the United States will also weigh on global demand for commodities, significantly impacting commodity-dependent countries, most of which are developing countries, including Uganda.

2.1.4 International Investment

The uncertain global environment characterised by trade tensions and weak macroeconomic performance impacted global investment. Amid rising tariffs and rapid shifts in trade policies, business confidence has deteriorated, dampening investment growth across most regions. All over the world, public and private investment has been on a decline which has contributed to weak growth and in turn, declining productivity. Aggregate investment growth in the G20 economies (excluding China) slowed from an annual rate of 5 percent early in 2018 to only 1 percent in 2019. This was largely on account of the higher tariffs imposed on US-China bilateral trade over the past two years, which weakened global demand, trade and investment.[13]

Because of the uncertain global environment, Firms have become increasingly pessimistic about near-term prospects. Business confidence fell sharply during 2019 and investment declined in many countries. In many commodity-exporting countries, public investment

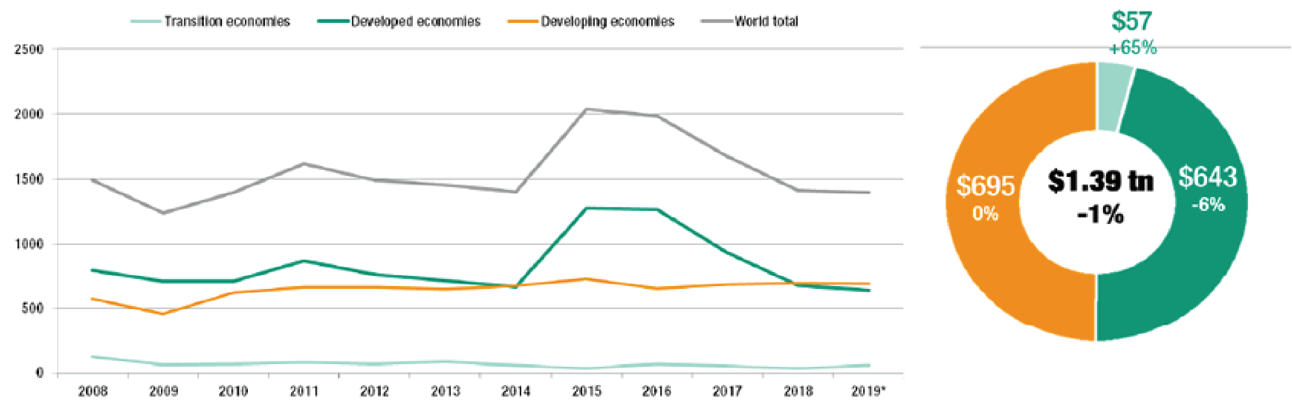
[13] OECD Interim Economic Assessment, 2020

remained weak amid ongoing fiscal consolidation pressures. Among developed economies, investment in machinery and equipment weakened significantly as a result of the sharp slowdown in industrial production[14] In addition, the tightening global financial conditions have caused investors to pull out over US$90 billion from emerging markets, the largest capital outflow on record.

Global Foreign Direct Investment (FDI) remained flat in 2019, at US$1.39 trillion, a 1 percent decline from a revised US$1.41 trillion in 2018. FDI flows to developed countries remained at a historically low level, decreasing by a further 6 percent to an estimated US$643 billion. FDI to the European Union fell by 15 percent to US$305 billion, while flows to the United States remained stable at US$251 billion.[15]

Developing economies continue to absorb more than half of global FDI. Flows to these economies remained unchanged at an estimated US$695 billion with the largest increase of 16 percent in Latin America. Despite a decline of 6 percent, flows to developing Asia continued to account for one-third of global FDI in 2019. Figure 2.5 below shows Global FDI inflows across economic groupings between 2008 and 2019.

Figure 2.5: FDI Inflows: Global and by group of economies, 2008-2019*



*Source: UNCTAD, 2020. * Preliminary estimates*

On the African Continent, FDI inflows continue to be dominated by the oil and gas sector, although major investments are emerging in non-oil sectors like tourism, real estate and telecommunications. FDI flows to Africa increased by 3 percent to an estimated US$49 billion in 2019. Egypt remained the largest FDI recipient in Africa with a 5 percent increase in inflows to US$8.5 billion, largely on account of economic reforms that have boosted investor confidence. In East Africa, FDI flows remained steady totalling US$8.8 billion. Inflows to Uganda increased by almost 50 percent to US$2 billion due to the continuation of the development of major oil fields and an international oil pipeline.[16]

2.2. Regional Economic Developments and Prospects

Growth in Sub-Saharan Africa in 2020 is projected at 1.6 percent, the lowest growth level on record.[17] The sharp downward revision largely reflects the fallout from the spread of COVID-19 and lower-than-expected commodity prices. In addition, idiosyncratic factors, such as continued structural constraints (South Africa), policy adjustment (Ethiopia), and

[14] UN World Economic Prospects, 2020
[15] UNCTAD Investment Trends Monitor, 2020
[16] UNCTAD Investment Trends Monitor, 2020
[17] IMF Regional Economic Outlook, 2020

climate and other natural shocks have also contributed to the downward revisions. The impact of falling commodity prices is expected to hit less diversified economies the hardest, while emerging market and frontier economies will face the consequences of large capital outflows and tightening financial conditions.

Growth remained subdued in 2019 for the three largest economies in the region. (Nigeria, Angola and South Africa). Under performance of the agriculture sector, constrained fiscal space, subdued business confidence and infrastructure bottlenecks are some of the reasons behind the lacklustre performance in these economies. In Sudan, which is the fourth largest economy in the region, political instability and an ongoing currency crisis caused activity to contract sharply. However, the formation of a three-year interim government to oversee the country's transition to democracy helped improve stability in the second half of 2019.

Elsewhere in the region, growth deteriorated in several industrial commodity exporters (Democratic Republic of Congo, Liberia, Namibia) in 2019 as weaker prices and softer demand dampened activity in extractives sectors. In contrast, growth accelerated in some countries as investments in new oil and mining capacity boosted activity (Ghana, Guinea, and Mauritania). Among exporters of agricultural commodities, growth rates have been more robust, notwithstanding some mild slowdowns. Estimates for 2019 indicate that growth averaged in excess of 5 percent, as sustained public investment in infrastructure continued to support activity (Togo, Uganda). In others, agricultural production suffered from severe drought (Senegal, Zimbabwe), or late rains (Kenya).[18]

The combined impact of the COVID-19 pandemic and the uncertain global trade environment will affect the region substantially. Tightening of global financial conditions will reduce investment flows to the region, ultimately reducing financing needed for growth. The slowdown in trade further exposes the region to reduced external demand and disruption of supply chains which will affect revenues, firms and livelihoods.

The vulnerabilities in the African region will continue to expose it to external shocks as the global environment remains fragile. Agricultural output is highly exposed to weather-related shocks, while political conflicts, social instability and security concerns are major downside risks across the continent and can affect the short-term outlook in many countries in the region.

East Africa remains the fastest-growing sub region, and the economic outlook remains favourable, underpinned by vigorous domestic demand and public investments in infrastructure. In addition, the recent peace agreement signed by Djibouti, Eritrea, Ethiopia and Somalia after decades of hostilities is expected to unlock new investment, trade and business opportunities in the Horn of Africa.

Growth in Sub Saharan Africa is expected to firm to 2.9 percent in 2020, and accelerate further to an average of 3.2 percent in 2021-22. Among the region's exporters of agricultural commodities, sustained strong public infrastructure spending, combined with increased private sector activity (Madagascar, Rwanda, Uganda), or continued reforms to raise the productivity and competitiveness of export oriented sectors (Burkina Faso, Côte d'Ivoire), will continue to support output.

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[18] World Bank Global Economic Prospects, 2020

The outlook for growth in 2021 will depend on the ongoing uncertainties in the trade environment occasioned by tensions in China, United States and the Euro area, which could lower export revenues and investment. Together these economies account for 40 percent of the region's goods exports and one third of FDI inflows. A faster than expected slowdown in China would cause a sharp fall in commodity prices and, given Sub-Saharan Africa's heavy reliance on extractive sectors for export and fiscal revenues, weigh heavily on regional activity. The recent climatic shocks and locust infestation in the region also pose a threat to the growth outlook as they suppress agricultural output. Table 2.1 below shows selected Sub Saharan macroeconomic indicators for the period 2015-2021.

Table 2.1: Selected Macro Economic Indicators for Sub Saharan Africa

Indicator	2015	2016	2017	2018	2019	2020	2021
Real GDP (percentage change)	3.19	1.43	2.10	3.28	3.07	-1.56	4.08
Inflation (percentage change)	6.87	10.70	10.74	8.34	8.38	9.32	7.60
Current account balance/GDP	-5.84	-3.82	-2.24	-2.53	-3.97	-4.72	-4.23

Source: IMF Database, 2020

CHAPTER 3: DEVELOPMENT COOPERATION

This chapter discusses Uganda's Development Cooperation Agenda across major thematic areas at both regional and international level. It looks at the key issues shaping development cooperation in FY 2019/20 and the outlook for FY 2020/21 and the medium term. The chapter is structured into two subsections; international cooperation and regional cooperation. Both subsections highlight policy priorities for cooperation and performance of cooperation initiatives within the financial year around key thematic areas including trade and investment; infrastructural development and competiveness, peace and security, health and education.

3.1 INTERNATIONAL COOPERATION

3.1.1 Trade and investment

Trade and Investment Cooperation Developments

Attracting investment remains a priority to all countries on the globe. As of 30th May, 2020, a total of 2,897 International Investment Agreements (IIAs) had been signed. Of these, at least 2,338 treaties, entered into force, accounting for 81 percent of the total IIAs.[19] A total of 90 IIAs were signed between 2018 and the first half of 2020 indicating a growth rate of 31.1 per cent. 14 agreements relate to Africa over the same period.

Relatedly, UNCTAD's High-level IIA Conference 2019[20] was held in November, 2019. The Conference brought together representatives of States, intergovernmental organizations and other stakeholders to take stock of IIA reform progress and lessons learned. Phase 2 of IIA Reform is one of UNCTAD's policy tools for spurring initial action to modernize old-generation treaties. While IIA reform is progressing, much remains to be done. The stock of old-generation treaties is 10 times larger than the number of modern, reform-oriented treaties. The conference adopted 10 policy options for phase 2 of IIA reform.

On the trade front, in March 2020, Least Developed Country (LDC) members called for a decision to strengthen the mandate of the Committee on Rules of Origin (CRO) by setting clearer obligations for preference-granting members to monitor the impact of their rules of origin on LDC imports and to simplify their qualifying requirements.[21] The 2015 Nairobi Decision on Preferential Rules of Origin for LDCs set out multilaterally agreed guidelines to facilitate LDC exports that qualify for preferential market access granted by WTO members. However, implementation of the decision is lagging by preference-granting members. LDCs are often unable to fully use preferences even when their exports are subject to simple origin requirements. The decision on this issue is planned for discussion at WTO's upcoming Ministerial Conference in late 2020.

A joint proposal for enhancing transparency in non-preferential rules of origin was also discussed. The proposal aims at introducing a template to notify rules of origin used in the application of Most-Favoured-Nation (MFN) treatment and other non-preferential commercial policy instruments, as well as any other practices with respect to certification of origin for non-preferential purposes.

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[19] UNCTAD international investment Agreement navigator: https://investmentpolicy.unctad.org/international-investment- agreements
[20] https://investmentpolicy.unctad.org/pages/1047/high-level-iia-conference-2019
[21] https://www.wto.org/english/news_e/news20_e/roi_05mar20_e.htm

In February 2020, the United States issued a notice updating the list of countries it designates as developing or least-developed under its countervailing duty laws. The WTO Agreement on Subsidies and Countervailing Measures (SCM) has higher *de minimis* standards and thresholds determining negligible import volumes for subsidies provided by developing and least developed countries. The implication of this is that the distinction between developing and least- developed countries will no longer matter for purposes of the *de minimis* threshold which normally is defined as less than 1 percent ad valorem. Consistent with article 27.11 and section 703(b)(4) of the Act, the 2 percent *de minimis* threshold now applies to least developed countries, of which Uganda is among. In addition, a negligible import standard of 4 percent will be applied.[22]

Trade and Investment Protocols and Agreements

US-Africa

The African Growth and Opportunity Act (AGOA) significantly enhances market access to the US for qualifying Sub-Saharan African (SSA) countries. 2020[23] data indicates that the total two-way goods trade between the United States and sub-Saharan Africa increased by 9.5 percent, from US$19 billion in 2015 to US$20.8 billion. Following the suspension of Burundi, Cameroon, South Sudan, DRC, Mauritania and Seychelles for different reasons, AGOA-eligible countries stood at 38 as at 30th May, 2020. After completing its initial 15-year period of validity, the AGOA legislation was extended on 29 June 2015 by a further 10 years, to 2025. Basing on the provisions of AGOA, US announced intentions to initiate trade agreement negotiations with Kenya on 17th March, 2020[24]. The proposed deal, if passed, would see Kenya open its borders for duty-free imports from the US and the country will also export a range of goods tax-free to the US. There are concerns however, that the agreement will undermine Africa's regional integration efforts, including in the East African Community and the landmark African Continental Free Trade Area (AfCFTA).

EU-Africa

The 10th African Union Commission – European Commission Meeting[25]was held at the African Union (AU) Headquarters in Addis Ababa on 27 February, 2020. The meeting was critical as a building block of an enhanced partnership, backed by the appropriate framework and instrument, to be solidified by mutual commitments at the AU-EU ministerial meeting and the EU-AU Summit whose dates are yet to be confirmed. The Commissions noted the progress on the priorities set in the 2017 Abidjan Declaration and focused the discussion on the alignment of their positions on, among others, sustainable growth, trade, investment and digitalization.

The two Commissions agreed to:

a) Maximise synergies between European and African private sectors in view of the upcoming EU-Africa Business Forum, and to promote actions focused on the diversification of African economies;
b) Improve domestic resource mobilisation in Africa through reforms, tax revenues, tax transparency, international asset recovery, as well as fighting illicit financial flows, money laundering and corruption;
c) Intensify efforts to enhance youth skills development and better match skills with

[22] https://www.federalregister.gov/documents/2020/02/10/2020-02524/designations-of-developing-and-least-developed-countries-under-the-countervailing-duty-law
[23] https://agoa.info/data.html
[24] https://agoa.info/news/article/15752-kenya-us-cranks-up-trade-deal-with-kenya.html
[25] https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_20_365

the demands of the labour market, particularly in sectors of infrastructure development, ICT, agri-business and small-scale manufacturing, among others;

d) Promote cooperation to establish a Digital Partnership based on a shared vision on an open and secure digital economy, and which puts African and European citizens at the centre of the digital transformation;
e) Enhance their partnership to (i) support digital infrastructure; (ii) build a secured single digital market in Africa by 2030; (iii) help improve favourable environment, policy and regulation, (iv) develop digital skills and applications; and (v) promote digital innovation and entrepreneurship; and,
f) The European Commission reiterated its support to an enhanced observer status for the African Union at the World Trade Organisation (WTO).

G7-Africa

The 45th G7 Summit was held from 24-26, August 2019. The summit included a special session on the G7-Africa partnership. A new framework between the G7 and Africa was endorsed by G7 leaders. The reinvigorated G7 & Africa Partnership is expected to address the main challenges of the African continent, including eradicating poverty, ensuring full realization of the right to education, providing good quality health care and increasing access to clean water.[26] The partnership will focus on three areas;

a) Promoting women's entrepreneurship in Africa
b) Digital transformation in Africa
c) Transparency in public procurement and the common fight against corruption

Further, a Sahel Partnership Action Plan was endorsed to improve development and security cooperation within the Sahel region.

3.1.2 Climate Change

Climate change has become an increasing concern over the last decade. As of 2017, humans are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels. 2019 has also gone on record as the second hottest year in 140 years. To limit warming to 1.5°C, global net CO2 emissions must drop by 45 percent between 2010 and 2030, and reach net zero around 2050.[27] The 2030 Agenda for Sustainable Development highlights urgent action to combat climate action as critical if the world is to develop sustainably. In this regard, SDG 15 aims to mobilize US$100 billion annually by 2020 to address the needs of developing countries to both adapt to climate change and invest in low-carbon development.

Since 2018, Regional Climate Weeks have been held under the Nairobi Framework Partnership (NFP,) a collaborative platform for governments and various stakeholders to address climate change-relevant issues. The 2019 Africa Climate Week was held in Ghana under the theme 'Climate Action in Africa: A Race We Can Win.' The event focused on how engagement between government and non-government stakeholders can be further strengthened in key sectors for Africa, including energy, agriculture and human settlements, and specifically around issues relating to nature-based solutions, the energy transition and the critical role of cities and local action in addressing the climate challenge. It further emphasized the need for climate plans to be aligned with development plans. These included a call for embedding mitigation and adaptation actions in national

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[26] https://www.consilium.europa.eu/media/40532/biarritz-declaration-for-a-g7-and-africa-partnership.pdf
[27] https://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-13-climate-action.html

development strategies, making data on climate change actions consistent, reliable and comparable, and planning and implementing actions at all levels across sectors.[28] Uganda was set to host the 2nd Africa Climate week in April 2020 but the event was postponed on account of the global COVID-19 pandemic.

In September 2019, Least Developed Countries (LDCs) launched the "LDC Vision 2050: Towards a climate resilient future." The vision is for all LDCs to be on climate-resilient development pathways by 2030 and deliver net-zero emissions by 2050 to ensure their societies and ecosystems thrive. It calls for every country to produce a national strategy to prevent global warming beyond 1.5°C and outlines measures LDCs will take to push for climate resilience and net zero emissions by 2050. This involves channeling 70 percent of climate funding to drive local level action, holistic climate change planning from the local to the national level, and ensuring climate solutions are centred on gender and social justice.[29] LDCs have requested for an initial US$450m of investment over 10 years under the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR), to help them deliver the adaptation and resilience work outlined in the Vision. This money will support the countries who are the first to join the drive – Bhutan, Ethiopia, The Gambia, Malawi, Tanzania, and Uganda.

In a bid to intensify cooperation with Africa in the fight against climate change, the European Union has proposed a new strategy to complement the running joint Africa-EU strategy. The strategy unveiled in March 2020, focuses on ecological and digital transition involving development of a green growth model, guaranteeing access to renewable energy, and protecting biodiversity and natural resources.[30] The strategy will be officially launched in October 2020 after consultations with African countries.

3.1.3 Population and Migration

Migration has become an important contributor to population growth. The scale of international migration has increased in recent years, with the number of international migrants estimated to be almost 272 million globally in 2019. Nearly two-thirds of these were labour migrants.[31] Moreso, the regional distribution of international migrants is changing, with migrant populations growing faster in Northern Africa and Western Asia and in sub-Saharan Africa than in other regions.[32] Sub-Saharan Africa hosted close to 21 percent (5.9 million), while Central and Southern Asia and Europe each hosted close to 13 percent of the global total (3.6 million each).

Large-scale displacements have been triggered by climate and weather-related hazards, conflict or severe economic and political instability. In addition, the global refugee population was 25.9 million in 2018. 52 per cent of the global refugee population was under 18 years of age. Uganda on its part has played an important role within the region in cooperation related to refugee management. As of 2020, Uganda is the third top refugee-hosting country in the world (1.2 million) after Turkey (3.7 million) and Pakistan (1.4 million).

Migration involves movement of persons across countries, and migration and mobility are linked closely to development processes. As such, international cooperation around this

[28] Final Report of 2019 Africa Climate Week accessed at: https://www.regionalclimateweeks.org/
[29] http://www.ldc-climate.org/press_release/least-developed-countries-launch-vision-for-a-climate-resilient-future/
[30] https://www.afrik21.africa/en/africa-eu-strengthens-cooperation-to-combat-climate-change/
[31] UN World Migration Report 2020.
[32] UN Migrant Stock, 2019

area is fundamental. The last two years have seen substantial change in the global governance of migration. In 2018, United Nations Member States came together to finalize two global compacts on the international manifestations of migration and displacement: the Global Compact for Safe, Orderly and Regular Migration, and the Global Compact on Refugees. The finalization of the compacts is a result of decades-long efforts by States, international organizations, civil society organizations and other actors to improve how migration is governed at the international level.[33]

3.1.4 Development Finance

Official Development Assistance (ODA) has been a stable source of finance for development. Total ODA in 2019 rose by 1.4 percent in real terms compared to 2018, as bilateral aid to low income countries rose. Bilateral sovereign loans on a grant equivalent basis increased by 5.7 percent in real terms compared to 2018.

ODA by member countries of the Development Assistance Committee of the Organisation for Economic Cooperation (DAC) totaled US$ 152.8 billion, representing 0.30 percent of their combined GNI, down from 0.31 percent in 2018. This comprised US$ 149.4 billion in the form of grants, loans to sovereign entities and contributions to multilateral institutions (calculated on a grant-equivalent basis); US$ 1.9 billion to development-oriented private sector instrument (PSI) vehicles, US$ 1.4 billion in the form of net loans and equities to private companies operating in ODA-eligible countries and US$ 0.1 billion in debt relief.[34]

In the wake of the global COVID-19 pandemic, development cooperation finance has an increased role in filling financing gaps for critical policy interventions in vulnerable countries and populations. ODA has been identified as an important means of supporting national responses to the COVID-19 crisis, within the framework of sustainable development and its five components – people, peace, planet, prosperity and partnership. DAC has committed to protect ODA budgets and encourage other financial flows to support governments and communities in partner countries. They will further endeavour to support Least Developed Countries and other countries with specific needs via a coherent and coordinated humanitarian-development-peace response.[35]

Other in-year developments in development finance cooperation were the following;

On the backdrop of the **Forum on China-Africa Cooperation (FOCAC)** held in September 2018, Coordinators from the People's Republic of China, 53 African countries and the African Union Commission held a meeting of Coordinators in Beijing on 25 June 2019 in a bid to jointly advance implementation of follow-up actions. Key actions agreed upon included maintaining the momentum of high-level exchanges; improving policy measures; formulating and advancing national plans, and providing policy support for the eight major initiatives in the FOCAC Beijing Action Plan (2019-2021). In addition, the two sides agreed to seek greater complementarity among their strengths in finance, technology, equipment, production capacity, human resources, market potential, energy, and natural resources. China will continue to support Africa in building free trade zones, special economic zones and industrial parks, provide assistance in the areas of trade,

[33] UN World Migration Report 2020.
[34] https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf
[35] http://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf

industrialization, SMEs development, entrepreneurship development, and high-quality data of the digital age.[36]

The **7th Tokyo International Conference on African Development (TICAD)** was held in August 2019. The conference was attended by 42 African countries, 52 development partner countries, 108 heads of international and regional organisations and representatives of civil society and the private sector. The conference adopted the Yokohama Plan of Action 2019 under the theme "Advancing Africa's Development through People, Technology and Innovation". Three areas were identified as key for Japan's cooperation with Africa namely; positioning business at the center of TICAD to achieve over US$20 billion in private investment; Achieving human security and SDGs and Supporting Africa's own initiatives. Key interventions in this regard will focus on developing industrial human resources, promoting innovation and investment, promoting UHC and Africa Health and Wellbeing Initiative and Building institutions and enhancing governance.[37]

The **12th United States-Africa Business Summit** was held in June 2019. The Summit brought together Heads of State, Vice Presidents, and Prime Ministers from nine African nations, Uganda inclusive. The Summit is focused on advancing a resilient and sustainable U.S.-Africa Partnership. A new U.S. Administration initiative – Prosper Africa was officially rolled out at the Summit. The goal of Prosper Africa is to expand U.S.-Africa trade, investment and commercial engagement by leveraging the resources and capabilities of many U.S. government agencies and creating deal teams supporting U.S. private sector investments in Africa.[38] US energy firm Anadarko's US$25 billion investment into developing gas reserves in Mozambique was announced at the summit. This is the largest single foreign direct investment in African history.

The **1st Russia-Africa Summit** was held in October 2019. The Summit brought together more than 40 heads of African States, more than 1900 representatives of official foreign delegations and 1400 representatives of Russian official businesses. The Summit was organized in a bid to strengthen Russia-Africa relations through mutually beneficial cooperation that serves the interests of both parties. Priority areas of economic cooperation in which concrete results can be achieved in the coming years were outlined as; Creating a Dialogue Partnership Mechanism; Policy Cooperation; Security Collaboration; Trade and Economic Cooperation; Legal Cooperation; Scientific, Technical, Humanitarian and Information Cooperation; and Cooperation in Environmental Protection.[39] During the summit, Russia and Africa signed more than 50 agreements worth above US$12 billion.

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[36] Joint Statement of the Coordinators' Meeting on the implementation of the follow up actions of the FOCAC accessed at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1675984.shtml
[37] Summary document of results of TICAD7 Conference accessed at https://www.mofa.go.jp/files/000521256.pdf
[38] https://www.corporatecouncilonafrica.com/news/2019-us-africa-business-summit-0
[39] Declaration of the first Russia-Africa Summit accessed at: https://summitafrica.ru/en/

3.2 REGIONAL COOPERATION

3.2.1 Regional Cooperation Agenda and the NDP III

Regional cooperation is an important component of Uganda's development cooperation. This is particularly so given the country's landlockedness and small domestic economy. The East African Community is the most prominent regional cooperation bloc that Uganda is party to. Cooperation in this bloc has largely taken the form of trade and investment, finance and infrastructure development in a bid to improve market efficiency, lower the cost of doing business and better position the region to integrate into the global economy.

The coming into force of the African Continental Free Trade Area (AfCFTA) in May 2019 was a landmark development for African regional cooperation. The AfCFTA created a single market for African goods and services and is considered the world's largest free trade zone since the establishment of the World Trade Organisation. Making this trade zone a reality will require strengthening of regional cooperation architecture, policies, institutions and standards.

As articulated in NDPIII, Uganda's development strategy is focused on accelerating growth of the economy and strengthening the country's regional and international competitiveness. NDPIII aims to mainstream interventions aimed at increasing exports by exploiting new emerging market opportunities in global and regional protocols to which Uganda is signatory, as well as leveraging existing and new trading arrangements. NDPIII identifies opportunities for Uganda to grow its regional and global market presence as: agro-industrialization, software development and programming, production of common household user goods through light manufacturing, and delivery of specialised health services and education.

3.2.2 Regional Cooperation Developments and Outlook

In February 2020, South Sudan concluded a long awaited peace agreement that brought into force a new unity government and paved way for the end of the humanitarian crisis in the country. This is expected to improve the prospects for South Sudan's cooperation within the region.

However, in general FY 2019/20 exposed the African region to heightened economic challenges that impact on the regional cooperation outlook. In FY 2019/20, the East African region faced unprecedented environmental/climatic shocks. The region experienced flooding as a result of increased levels of rainfall with the October to December 2019 rainfall season ranked among the wettest rainfall seasons in East Africa in at least 40 years.[40] In February 2020, eight east African countries experienced the worst locust infestation in 70 years. These climatic shocks have affected food security and citizens' livelihoods especially given the agricultural dependence of the region.

Climate change effects were further compounded by the global COVID-19 pandemic that broke out in East Africa in January 2020. The pandemic poses a further threat to key economic sectors within the region and the combined effects of these forces are expected to suppress agricultural output and growth, and increase poverty. The regional cooperation agenda in 2021 and beyond will therefore be shaped by and respond to these developments.

[40] https://fews.net/east-africa/special-report/january-29-2020

3.2.3 Performance of Regional Cooperation Initiatives/Frameworks in FY 2019/20

3.2.3.1 East African Community

The East African Community (EAC) is a regional intergovernmental organisation of six (6) Partner States, comprising Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda. The vision of this regional bloc is to be a prosperous, competitive, secure, stable and politically united East Africa. Against this background, the EAC identified seven critical priorities for the period 2017-2021 as follows;

a) Consolidation of the Single Customs Territory (SCT).
b) Infrastructure development in the region.
c) Enhancing free movement of all factors of production across the Partner States.
d) Enhancement of regional industrial development.
e) Improvement of agricultural productivity and value addition.
f) Promotion of regional peace, security and good governance.
g) Institutional transformation at the regional and Partner State levels.

This sub-section details progress made in these priority areas highlighting performance as well as initiatives implemented within FY 2019/20, especially in regard to cooperation.

a) Consolidation of the Single Customs Territory (SCT)

The East African Community Customs Union Protocol which came into force in 2005[41] has created space for the partner states to reduce or eliminate taxes on goods originating from within the community and have a Common External Tariff (CET) on goods imported from outside EAC territories. The launching of the Single Customs Territory (SCT) in 2014 has minimized controls at internal borders and boosted trade as importers clear their goods once at the point of entry and revenues are collected at that single point and remitted to the destination partner states.

The commencement of the SCT has reduced time taken for goods to be transported through the norther corridor from 18 days to four days for Kampala-bound trucks. The time taken to transport goods through the Central Corridor (from Dar es Salaam to Bujumbura and Kigali Corridor) has also reduced from twenty one (21) to seven (7) days. As a result, the cost of doing business has reduced by more than a half as indicated by the 67 percent reduction in freight costs from US$ 3,100 to US$ 1,025 as of December 2019[42].

In addition, the construction and operationalization of One Stop Border Posts (OSBPs) is one of the major developments. Under the land border management system, customs and other government agencies of neighboring countries work in one office and clearance procedures are done once at the point of entry, with 24 hour operations. To date, 13 OSBPs have been completed and are already operational. In Uganda, these include Malaba, Busia, Mirama Hills, Katuna and Mutukula.[43]

Notwithstanding the success of the Customs Union, implementation of the protocol has registered a number of challenges. The most profound one is the existence of Non-Tariff barriers (NTBs) – the regulations, administrative and technical requirements other than tariffs which impede trade. To address this challenge, Article 13 of the Customs Union Protocol has put in place a number of measures including; establishment of the EAC NTB

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[41] EAC Customs Union accessed at https://www.eac.int/customs
[42] https://www.eac.int/customs/single-customs-territory
[43] https://www.eac.int/press-releases/142-customs/1276-eac-operationalizes-13-one-stop-border-posts

Monitoring Committee, encouragement of bilateral engagements on the removal of NTBs and the implementation of an on-line reporting and monitoring system.

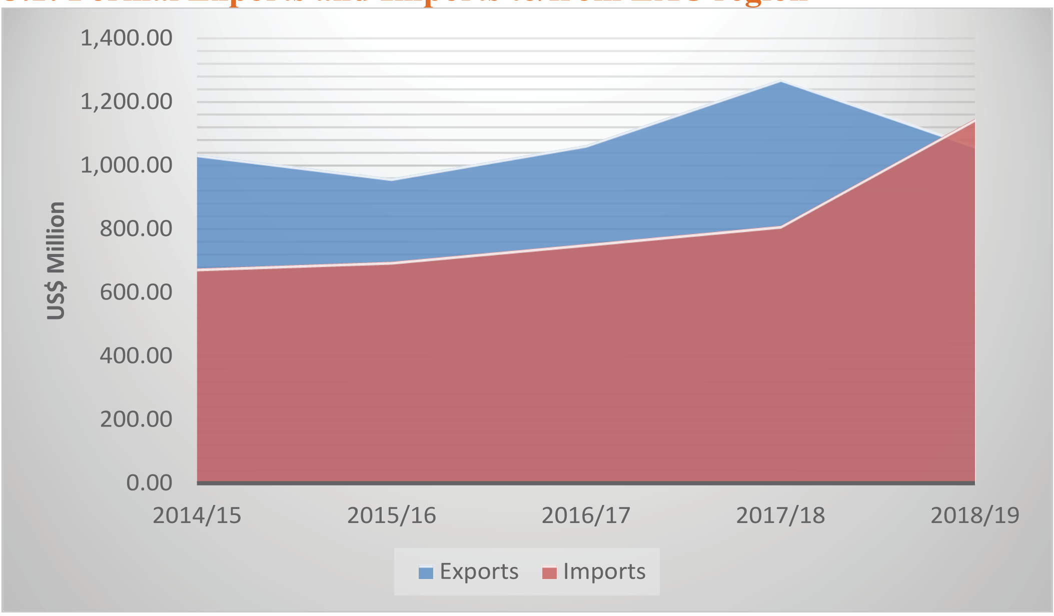
Trade and Investment

Intra-regional trade

EAC intra-regional imports grew by 13.9 percent to US$ 2.8 billion in 2018 from US$ 2.5 billion in 2017. Kenya's imports from the rest of the region maintained a positive growth trend experienced in 2017 with exports from Uganda dominating Kenya's import basket. Uganda's exports to Kenya were mainly dominated by milk, dry beans and raw materials for the preparation of animal feeds. On the other hand, Intra-regional exports grew by 5.6 percent to US$ 3.1 billion in 2018 from US$ 3.0 billion in 2017. The growth in intra-regional trade was attributed to favourable weather conditions over the year which facilitated an increase in agricultural produce; and the elimination of Non-Tariff Barriers (NTBs).

Overall, Uganda's formal exports to EAC Partner States have declined by 16.5 percent from US$ 1,271.14 million to US$ 1,061.00 million between FY 2017/18 and FY2018/19. The decline is mainly driven by a sharp fall of 36 percent in the country's volume of exports to Kenya. (Fig. 3.1). During the period under review, Kenya remained Uganda's main regional trading partner, importing mainly petroleum products, cement, iron and steel and pharmaceutical products from Uganda. Relatedly, Kenya accounted for 61 percent of Uganda's import bill in the region during FY 2018/19 which rose by 41.5 percent from US$ 810.5 million to US$ 1.1 billion between FY 2017/18 and FY 2018/19.

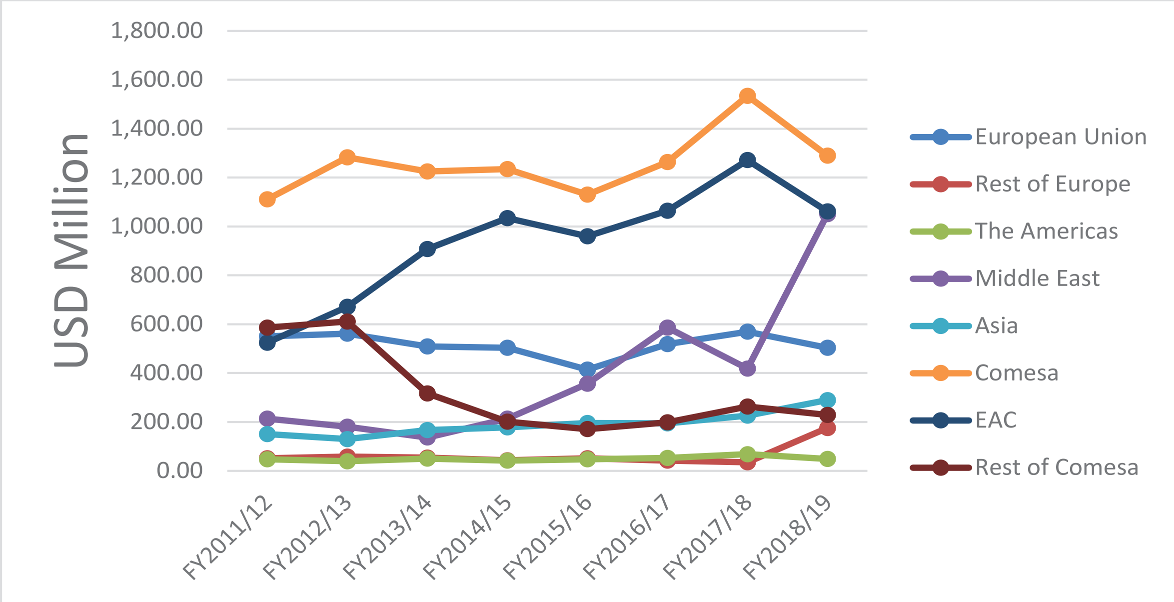
Figure 3.1: Formal Exports and Imports to/from EAC region



Source: BoU, 2020

COMESA was the leading destination for Uganda's formal exports in FY 2018/19, followed by the EAC, European Union and Middle East in that order (Fig. 3.2). However, an isolation of EAC countries from COMESA indicates that EAC remains a major export market for Ugandan goods. That notwithstanding, exports to Asia, Rest of Europe and Middle East have significantly grown. The country's export revenue from the Middle East grew by 151.4 percent from US$ 417.78 million in FY2017/18 to US$ 1,050.36 million in FY2018/19. The bulk of Uganda's exports to the region went to United Arab Emirates which contributed US$ 1011.0 million. Uganda's exports to UAE are mainly dominated by gold, semi-precious stones and precious metals. The share of these commodities put together in Uganda's total exports to UAE stands at 55.5 percent. This market potential for Uganda's minerals has facilitated the drafting of the Minerals and Mining Bill, 2019 that seeks to improve the management and productivity of the minerals sub-sector.

Figure 3.2: Uganda's Formal Exports to EAC, COMESA and the Rest of the World

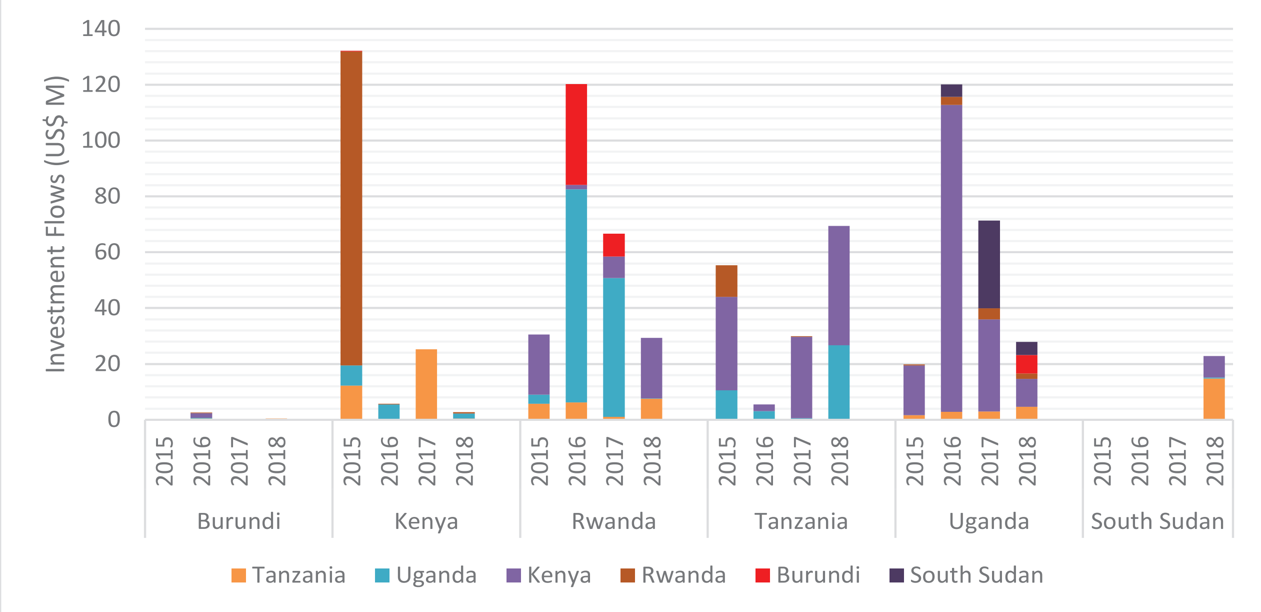


Source: BoU, 2020

Intra-EAC Investment Flows

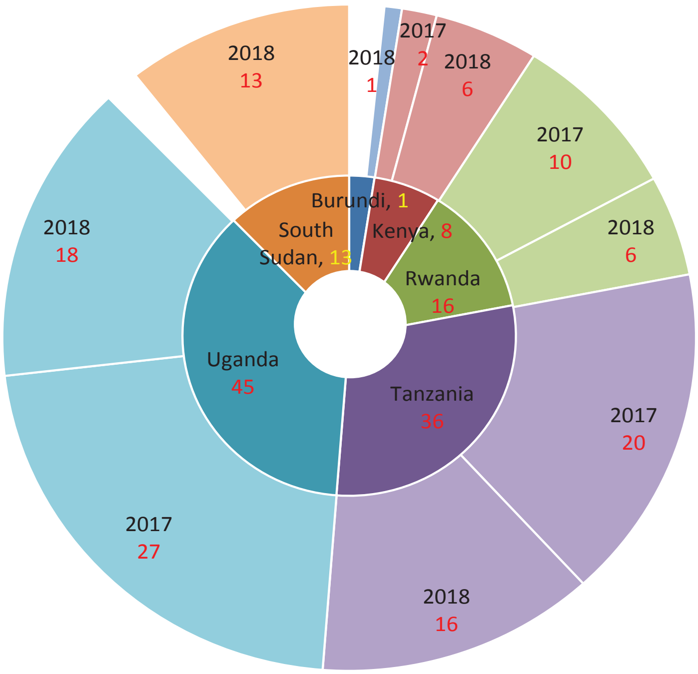
Total intra-EAC investments decreased by 20.8 percent between 2017 and 2018 (from US$ 192.9 million to US$ 152.7 million.) This performance was largely driven by an 88.9 percent decline in intra-EAC investments into Kenya. (From US$ 25.3 million in 2017 to US$ 2.8 in 2018) Investments into Rwanda, Tanzania and Uganda amounted to US$ 29.4 million, US$ 69.4 million and US$ 27.9 million, respectively in 2018 (Fig. 3.3). Burundi registered one investment from the other Partner States amounting to US$ 0.4 million. Similarly, the number of projects registered under Intra-EAC investments increased by 1.7 percent to 60 projects in 2018 from 59 projects recorded in 2017 (Fig. 3.4). Uganda registered 18 projects in 2018 while Tanzania, Rwanda and Kenya registered 16, 6 and 6 projects arising from intra-EAC investments, respectively in the same period.

Figure 3.3: Intra-EAC Investment Flows by Value, 2015-2018 (US$ Million)



Source: EAC Trade and Investment Report 2018

Figure 3.4: Intra-EAC Investment Flows by Number of Projects, 2015-2018



Source: Computation based on data from EAC Trade and Investment Report 2018

The aforementioned progress will be consolidated with the coming into force of the EAC Investment Policy, which is currently in draft form, awaiting consideration by the EAC Council of Ministers. The policy envisages a transformed upper middle-income EAC that is a competitive common investment area with a more liberal, predictable and transparent investment environment. The investment policy will provide ground for Partner States to cooperate in investment promotion, facilitation, liberalization and protection of cross border investment. Partner States are to streamline and simplify administrative procedures related to investments, promote and maintain dialogue with the private sector and exchange business information.

b) Infrastructure Development and Competitiveness

The evolution of the East African Community requires integration of sector specific initiatives to drive consolidation of eminent infrastructure in the spirit of reducing the cost of doing business and poverty reduction. Infrastructure development in the region is therefore critical in plugging connectivity challenges and smoothening regional integration. The infrastructure agenda of the East African Community is broad based, combining different sectors that tend to address movement of people and cross border trade. In view of the above, the bloc identified critical infrastructure projects geared towards improving communication and connectivity in the region. This has been done in collaboration with Development Partners. The African Development Bank has significantly contributed to realisation of these initiatives.

Northern Corridor Integration Projects (NCIP)

This is a multilateral development framework that aims to propel regional growth by easing the movement of people, goods and services. The framework is skewed towards infrastructure initiatives which include; Transport, Energy, ICT and Security. The Joint EAC Heads of State retreat held in June, 2018 identified and approved 17[44] flagship projects for inclusion in the NCIP. A total of 35 out of 286 sub projects have been substantially completed and are operational whereas 106 projects are at various implementation stages[45].

The Standard Gauge Railway (SGR) has registered partial implementation progress across participating partner states. Kenya completed the Mombasa – Nairobi route and is currently implementing the Nairobi – Naivasha route and thereafter Naivasha – Kisumu to Malaba. On the Ugandan side, preconstruction activities have significantly taken shape and awaiting financial closure by Exim Bank of China to undertake physical construction of the 273 km from Kampala to Malaba.

On the Refined Petroleum Products Pipeline Development, development of the East African Crude Oil Pipeline has achieved significant progress. The Front End Engineering Design (FEED) awaits approval by Government of Uganda and the project sponsors. In addition, the RAP studies on the Tanzania side are ongoing, while the final RAP Report on the Uganda side is being finalised. Negotiations between the Host Governments (Uganda and Tanzania) and the Joint Venture partners continue. On the other hand, progress has been achieved on oil refinery development which is at 60 percent on the Front End Engineering Designs (FEED) that will later culminate into the Final Investment Decision (FID).

On power generation, transmission, and interconnectivity, there has been significant progress on extension of regional transmission lines among which include the Mbarara-Mirama-Birembo (Rwanda) 220kV transmission line & Mirama substation that was completed in 2018; and the Masaka-Mutukula-Mwanza 220 kV transmission line (82km) currently at procurement stage. The objective is to fast track regional grid interconnection for power trade and security of power supply.

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[44] https://www.eac.int/documents (Joint EAC Heads Of State Retreat On Infrastructure And Health Financing And Development)

[45] https://www.eac.int/press-releases/150-infrastructure/1515-thirty-five-35-eac-priority-infrastructure-projects-completed

On ICT Infrastructure, the EAC Roaming Framework that provides for harmonization of mobile calling and data charges is being implemented by Uganda, Kenya and Rwanda. Implementation of the framework by Tanzania and Burundi is still under consideration.

Programme for Infrastructure Development in Africa (PIDA)

The programme for Infrastructure Development in Africa is an African Union initiative that acts as a strategic framework for the development of regional infrastructure in line with Agenda 2063. It aims to close infrastructure gaps that impede development and poverty reduction in Africa. The programme will run up to 2040 with the purpose of strengthening and integrating trans-boundary infrastructure in Transport, energy, ICT and cross border water resources.

Phase one of the PIDA had 51 programmes sub-divided into 409 projects across the continent. The second phase of PIDA identified 58 programmes. The regional consultations for project selection commenced where 10 projects per region will be selected i.e Western Africa, Northern Africa, Central Africa, Southern African, Eastern Africa and one project for each of the eight islands. After the project selection process has been completed following the framework set, the PIDA Priority Action Plan (PAP2) will be presented in the AU Summit in 2021 for adoption by member states.

c) Enhancing Free Movement of all Factors of Production across the Partner States.

Under the Common Market Protocol, EAC Partner States continue to facilitate the free movement of goods, persons, labour, services and capital, in addition to according the rights of establishment and residence to investors and EAC citizens from other Partner States. However, since the outbreak of global COVID-19 pandemic, the movements of goods and people has been limited as countries implement measures to mitigate spread of the disease. In order to ensure that the Common Market Protocol is not violated, the EAC issued the COVID-19 Administrative Guidelines purposely for application during the COVID-19 pandemic period[46]. The objectives of the Administrative Guidelines were:

i. To complement national measures against the COVID-19 pandemic;
ii. To ensure smooth and uninterrupted movement of goods and services during the COVID-19 pandemic;
iii. To encourage local production of essential products during the COVID-19 pandemic;
iv. To enhance regional awareness on measures instituted against the COVID-19 pandemic, and;
v. To mitigate the negative impact of COVID-19 on the free movement of goods and services.

Prior to the pandemic, the EAC Secretariat and Partner States had achieved the following milestones in implementation of the commitments under the EAC Common Market Protocol;

i. In a bid to integrate the Republic of South Sudan into the EAC, the Secretariat facilitated the establishment of the National Implementation Committee (NIC) on the EAC Common Market Protocol and conducted a training for Members on 18 February, 2019.[47]
ii. The right of establishment under the EAC Common Market Protocol requires Partner States Business Registries to cooperate and share information. In March

[46] https://www.eac.int/coronavirus
[47] https://www.eac.int/documents

2019, a stock taking exercise was undertaken to assess the level of readiness of Partner States Business Registries to undertake e-Business. The exercise informed the production of a model for the EAC e-Business Registry. The model will facilitate implementation of the EAC e-Business Registry in member states in a phased manner[48].

iii. EAC Partner States have committed to fully implement the Yamoussoukro Decision as part of the Common Market Protocol and in line with the ongoing efforts by the African Union Commission (AUC) and the African Civil Aviation Commission (AFCAC) to establish and operationalize the Single African Air Transport Market (SAATM). The EAC Secretariat completed draft regulations to guide Partner States to fully liberalize their Air Transport Services in order to achieve improved efficiency, enhancement in capacities and eventually lowering the cost of air transport in the region.

d) Enhancement of Regional Industrial Development.

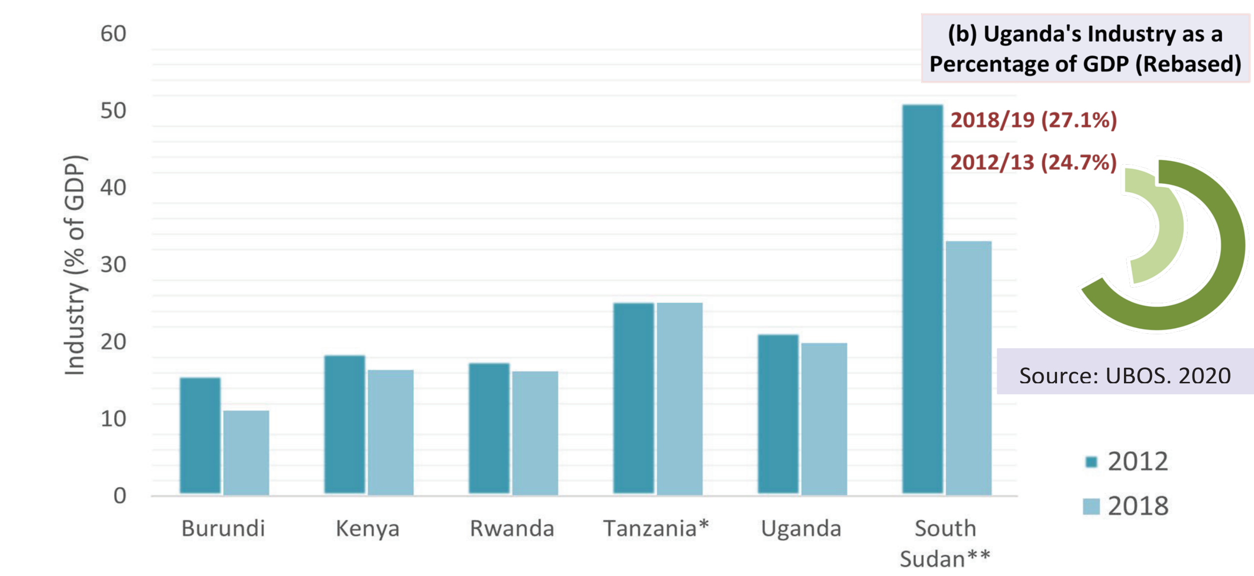
Following the launch of the East African Community Industrialisation Policy 2012-2032 and the East African Community Industrialisation strategy, the industrialisation process is yet to take shape. EAC identified six key and strategic regional industries namely; Iron-ore and other mineral processing; Fertilisers and agrochemicals; Pharmaceuticals; Petrochemicals and gas processing; Agro-processing; and Energy and Bio-fuels[49] as industries with huge potential to drive the regional industrialisation agenda.

Over the 20-year implementation period for both the policy[50] and the strategy[51], the region aspires to achieve an enhanced manufacturing sector whose contribution to regional GDP averages 25 percent by 2032 from 9.7 percent recorded in 2012; raising the Local Value Added Content (LVAC) of manufactured exports to at least 40 percent from 8.6 percent in 2012; and enhancing the share of manufactured exports to the region relative to imports from 5 percent registered in 2012 to about 25 percent by the expiry period of the policy.

Nevertheless, with eight years into the implementation, data shows that the contribution of industry to GDP has declined across all EAC partner states (Fig. 3.5 (a)). However, on account of rebased GDP numbers in 2019, the contribution of Uganda's industry sector to GDP rose to 27.1 percent in FY 2018/19 surpassing the regional target of 25percent by 2032 (Fig. 3.5 (b)).

[48] EAC budget speech, FY 2019/20.
[49] https://www.eac.int/industry
[50] East African Community Industrialization Policy (2012-2032)
[51] East African Community industrialization strategy 2012-2032

Figure 3.5: Industrial growth since the coming into force of EAC Industrialization Policy, 2012 – 2032



Source: World Bank, 2020

The decline in the contributions of industry to economic activity across the region may be premised on insufficient investment in industrial transformation. This is evident in a definite shift in regional Governments priorities to invest in both national and regional infrastructure, particularly in roads, railways, ports and electricity generation and transmission. Improved regional infrastructure would automatically attract increased investment in industry across the EAC. However, these investments have facilitated a rise in public debt making the space to borrow more to invest in industry increasingly limited. Therefore, there is need to interest private sector into investing in the provision of prerequisite infrastructure as well as encouraging foreign investors to invest in the regional industrial sector.

e) Improvement of Agricultural Productivity and Value Addition.

Agriculture has been identified as one of East Africa's most important sectors, with about 80 percent of the population of the region living in rural areas and depending on agriculture for their livelihood. More than 70 percent of industries in the region are agro-based and agricultural commodities and products constitute about 65 percent of the volume of intra-regional trade[52] Accordingly, the EAC Agriculture and Rural Development Strategy outlines strategic interventions for agricultural sector development as; Improving Food Security; Accelerating irrigation development; Strengthening Early Warning Systems; Strengthening Research, Extension and Training; Increasing Intra and Inter Regional Trade and Commerce; and Physical Infrastructure and Utilities.

EAC is implementing the Market Access Upgrade Programme (MARKUP) funded by the EU and Germany Federal Government (BMZ). MARKUP aims to increase exports of agribusiness and horticultural products and promote regional integration and access to the European market. MARKUP assists small and medium-sized enterprises (SMEs) in Burundi, Kenya, Rwanda, Tanzania and Uganda by targeting specific agricultural

[52] www.eac.int

commodities (i.e. avocado, cocoa, coffee, spices, tea and horticulture). The areas of focus include:

i. The identification and elimination of barriers to trade;
ii. Improving competitiveness;
iii. Strengthening of value addition
iv. Ensuring compliance with international standards
v. Supporting access to finance
vi. Market exposure for SMEs

Under the auspices of the MARKUP, the EAC Coffee Business Forum was held in Kenya in February 2020. The forum brought together 150 stakeholders from across East Africa's coffee value chain to discuss barriers to trade and how to capitalise on current opportunities to be competitive on the international coffee market. The EAC Quality for Trade Platform was launched at the forum. The Platform will serve as a one-stop-shop allowing users to discover relevant quality requirements for priority sectors in the EU, obtain guidance on quality-related topics and gain insights from those who have already experienced success.[53] MARKUP is working to harmonise standards across the EAC, raise coffee quality and empower farmers with the knowledge and tools to be competitive.

Further, the 13th Meeting of the Sectoral Council on Agriculture and Food Security held in Arusha, Tanzania in October 2019 adopted a new programme on rice sector development. Under the programme, rice farmers in East Africa are set to benefit from a US$3.1 million dollar grant which will be implemented over a period of three years. (April 15th, 2019 – April 14th, 2022). The project is implemented under the Competitive African Rice Initiative in East Africa (CARI-EA), and targets 660,000 farming households. It aims to contribute to inclusive transformation of the rice sector in East Africa for sustainable increase in incomes of individuals employed in the value chain of locally produced rice.[54]

f) Promotion of Regional Peace, Security and Good Governance.

Maintaining the region's peace and security is pivotal for socioeconomic development. In 2013, the African Union launched a campaign on "Silencing the guns in Africa by 2020" to achieve a conflict free Africa, prevent genocide, make peace a reality for all and rid the continent of wars, violent conflicts, human rights violations and humanitarian disasters by 2020. In this regard, the EAC focuses its efforts on crisis prevention, conflict resolution, small arms and light weapons control, and the promotion of good governance.

EAC together with the European Union (EU) launched a new Euros 10 million joint programme to address regional and cross border security threats in the region. The programme is a regional response to the growing security threats across the EAC region, and seeks to work both on enhancing the technical capacities and building trust between the law enforcement agencies in the EAC partner States.[55] The 45-month programme will be implemented by the EAC Secretariat and the International Criminal Police Organization (Interpol).

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[53] https://www.eacmarkup.org/news/media-release-building-international-links-and-overcoming-barriers-in-the-eac-coffee-sector

[54] https://www.eac.int/press-releases/141-agriculture-food-security/1575-rice-farmers-in-east-africa-to- benefit-from-us$3-million-grant

[55] https://www.eac.int/press-releases/154-peace-security/1632-eu,-eac-sign-10-million-euros-for-joint-response-to-regional-and-cross-border-security-threats

In addition, in line with a resolution of the Peace and Security Council of the African Union, Cabinet of Uganda approved the establishment of the Eastern Africa Fusion and Liaison Unit (EAFLU), an intelligence gathering centre in Uganda, to support and facilitate regional security cooperation initiatives. The objectives of the unit are; to promote and coordinate intelligence sharing in the fight against terrorism, negative forces, armed groups, organized crime and any other form of trans border threats, to assist in achieving the objectives laid down in the Nairobi summit through development, collation, processing, analysis and dissemination of actionable intelligence to relevant law enforcement and security services. The unit will comprise of the intelligence and security services of countries including Uganda (host nation), Burundi, Djibouti, Ethiopia, Kenya, Rwanda, South Sudan, Sudan and Tanzania.

Further, the region witnessed the conclusion of the Inter-Burundi Dialogue process; adoption of the Standard Operating Procedures (SoPs) within Police Cooperation; re-evaluation of the operationalization of Police Centres of Excellence and high-level security sector engagements within the EAC, and the Eastern Africa Police Chiefs Cooperation Organization.[56]

Law enforcement

Government of Uganda hosted a two day extra ordinary meeting in July, 2019, to validate and adopt a Capacity Building Training Needs Assessment on Human Rights within the Prisons/Correctional Services of the EAC partner States. The meeting observed the ever-increasing prison population and limited resources available that undermines implementation of reforms necessary for the enhancement of observance of Human rights. Further, the meeting adopted a roadmap for implementation of Human Rights capacity building programme that will run for five years beginning July 2019 supported by the Swedish Government through the Raoul Wallenburg Institute and will be coordinated by the EAC Secretariat.[57]

In order to strengthen intelligence and investigation capabilities to fight terrorism in the Eastern Africa region, United Nations Office on Drugs and Crime (UNODC) organised a regional workshop in December, 2019, in Nairobi, Kenya on intelligence-led policing, digital evidence collection and regional cooperation. The workshop forms part of ongoing terrorism prevention activities being implemented by UNODC as part of its regional programme for Eastern Africa (2016-2021). Further, the workshop streamlined its focus on strengthening capacity in the collection, analysis and dissemination of intelligence, the collection and analysis of digital evidence, and strengthened regional coordination among criminal justice and intelligence entities to support intelligence-led policing in East Africa[58].

Peacekeeping Missions

Over the past five years, Uganda has played a key role in fostering peace and stability in war stricken countries such as; South Sudan, Somalia, and Burundi, among others. Uganda is part of the AMISOM military component and Ugandan troops are deployed in sector one which comprises regions like Banadir, and Lower Shabelle. A total of 1,828 officers of the UPDF were flagged off to Somalia in July, 2019, comprising of Uganda Battle Group

[56] EAC Budget Speech FY 2019/2020
[57] https://www.eac.int/press-releases/154-peace-security/1520-eac-chiefs-of-prisons-correctional-services-meet-in-kampala
[58] https://www.unodc.org/unodc/en/terrorism/latest-news/2019_iss-ii-nairobi-east-africa-ws.html

(UGABAG) XXVIII and United Nations Guard Unit (UNGU) VI. Further, on 19th December 2019, Uganda sent a battle group under the UPDF named UGABAG XXIX, with a total of 2,414 troops to replace the outgoing battle group UGABAG XXVI, in Somalia to serve for the next 12 months.

In an effort to have consolidated, skilled and competent humanitarian actors responding to both natural disasters and conflict/complex emergencies, United Nations Office of the Coordination of Humanitarian Affairs (UN-OCHA) conducted a regular readiness training around the world in December 2019. Two Integrated Mission Planning Course (IMPC) regional facilitators from East African Standby Force (EASF) participated in the training[59]

Further, the EASF commenced its Strategic Planning Process (SPPS), a pivotal document that will provide the strategic level before the deployment of any possible mission of the EASF. The SPPs is to be aligned with the recently approved EASF Crisis Response Mechanism Guidelines (CRM). EASF also signed a Memorandum of Understanding with the regional Centre on Small Arms (RECSA) on the 27th November, 2019, in which the two institutions reiterated their desirability of cooperation within the fields of their respective competence of enhancing peace and security in the East African member states including among other things prevention, control, and reduction of small arms and light weapons.[60]

Defence Cooperation

The 12th edition of the East African Community (EAC) Armed Forces Command Post Exercise (CPX), code named Ushirikiano Imara 2019 was held at the Uganda Rapid Deployment Capability Center (URDCC). The exercise was held in view of the drastically changing security landscape of the region that requires jointly acclimatizing to new methods to mitigate new threats that include: natural and man-made disasters, terrorism, and piracy and cyber security. The exercise called for the need to embrace the spirit of cooperation amongst the EAC member states to enhance the EAC integration agenda through joint military training, engaging in joint technical operations and exchanging knowledge.[61] The two weeks exercise involved a total of over 360 personnel from EAC member states.

g) Institutional Transformation at Regional and Partner State Levels.

Financial Institutions

Establishment and implementation of the East African Monetary Union is contingent upon harmonizing critical policies and putting in place the requisite institutions to attain a single currency for the region by 2024 as outlined in the EAC Monetary Union Protocol. To that end, a Bill for the establishment of the East African Monetary Institute (EAMI) has already been assented to by the Summit of Heads of State. The EAMI will eventually transform into the East African Central Bank which will then issue the single currency.

In addition, there are a number of initiatives that boost implementation of the MU including;[62]

i. Approval of the EAC Domestic Tax Harmonization Policy by the Council of Ministers.

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[59] https://www.easfcom.org/index.php/en/home/9-news/967-easf-impc-regional-facilitators-attend-un-cmcoord-course
[60] https://www.easfcom.org/index.php/en/home/9-news/956-recsa-easf-penning-the-accord
[61] https://www.pmldaily.com/news/top-story/2019/11/eac-armed-forces-urged-to-embrace-cooperation-as-ushirikiano-imara-2019-opens-in-uganda.html
[62] https://www.eac.int/press-releases/1657-plans-to-put-in-place-east-african-single-currency-by-2024-well-underway

ii. Development of requisite legal instruments (Bills) for the insurance and microfinance sub-sector and strategies for implementation of financial education and insurance certification.
iii. Implementation of the financial market infrastructure for payment and settlement systems; and
iv. Finalization of the regional regulations for portability of pension benefits and consumer protection.

Further, the Council of Ministers' meeting in May, 2019, approved the EAC Financial Education Strategy (2019-2022).

Health, Education, Natural Resources and Culture Institutions

In March 2019, the Health African Research Commission (EAHRC) Headquarters were launched in Bujumbura. The Commission will continue concentrating on implementing its Strategic Plan (2016-2021). Some of the notable achievements of EAHRC included the following;

(a) Launched the Digital REACH initiative 10-year Strategic Plan, 2019-2028;
(b) Operationalization of the East African Cross Border Health Services Pilot Programme;
(c) Establishment of Research Network for Holistic Approach Towards Unravelling Antibacterial resistance in East Africa (HATUA) and 46 Tuberculosis Working groups to empower the Nations Diagnostic Efforts (TWENDE);
(d) Launch of the EAHRC Official One Stop Centre for Health information in the East African region. The web portal was officially launched on March 27th, 2019 during the 7th EAHSC.

The EAC secretariat finalised an intensive training programme for laboratory experts to detect and diagnose the new novel Corona virus (COVID-19) in the East African Community region. The programme which is part of the financial support provided to the EAC region by the German Development Bank (KfW) on behalf of Federal Republic of Germany, aims at building capacity in the region to detect COVID-19.[63] The training was conducted by EAC Network of Public Health Reference Laboratories for Communicable Diseases (Mobile Labs Programme) in collaboration with the Bernhard Nocht Institute for Tropical Medicine (BNITM). In addition, regarding the East African Network of Public Health Reference Laboratories for communicable diseases, EAC Secretariat embarked on the process of securing nine mobile laboratory units and an additional 18 vehicles to boost the member states' capacity to detect and respond to most dangerous disease causing agents such as: Ebola, Corona Virus, among others.

On 30th April, 2020, the EAC unveiled a comprehensive COVID-19 response plan to reinforce measures to protect and prevent spread of the novel coronavirus pandemic within the region. The response plan seeks to ensure access to Infection, Prevention and Control (IPC) materials, laboratory supplies and equipment by the EAC Organs and Institutions, and the EAC Partner States. The key intervention of the plan is to strengthen the region's capacity for COVID-19 surveillance and reporting at all key border points, and build knowledge on safety measures, existing prevention and control strategies, and relevant regional guidelines[64]

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[63] https://www.eac.int/press-releases/147-health/1678-eac-secretariat-builds-partner-states-capacities-for-diagnosis-of-the-novel-corona-virus
[64] https://www.eac.int/press-releases/147-health/1721-eac-unveils-covid-19-response-plan

The 18th Ordinary Meeting of the Sectoral Council of Ministers of Health held on 28th March, 2019, adopted the EAC compendium of guidelines for safety and vigilance on medical products. The Community further developed an EAC Health Sector Knowledge Management Web Portal (*health.eac.int*), which seeks to eliminate the need to develop project or unit specific web portals that are not sustainable after closure of projects. In addition, the Council of Ministers approved; the EAC State of Women's, Children's and Adolescent Health and HIV&AIDS Report 2018; the 2018 EAC Reproductive, Maternal, New-born, Child and Adolescent Health (RMNCAH) and HIV&AIDS Scorecard; EAC Regional Policy on Prevention Management and Control of Alcohol Drugs and other Substance use, 2019.[65]

Under the EAC Medicines Regulatory Harmonization Programme (EAC-MRH) and the EAC Project on Harmonization and Strengthening Pharmacovigilance and Post Market Surveillance, the region conducted pharmacovigilance safety reporting tools at Namanga Border (Kenya/Tanzania) in February 2019 and conducted joint post market surveillance of quality of five (5) selected antibiotics in EAC region. In addition, with technical and financial support from EAC-GIZ Pandemic Preparedness Project, EAC's Health sector developed the Risk and Crisis Communication Strategy with the aim of facilitating the implementation of the EAC regional contingency plan for epidemics, conditions and other events of public health significance.[66]

Science and Technology

African Heads of State through the Agenda 2063 highlight the need for Science and Technology as a vehicle in enabling African countries to achieve the desired economic transformation and economic development. Major challenges in this regard at EAC level have been identified as; different regulations, financial constraints, poor infrastructure, and member states hardly meeting their commitments to funding to research and development, whose share as a percentage of GDP still remains below one per cent.

The East African Science and Technology Commission (EASTCO) in partnership with Inter-University Council for East Africa (IUCEA), the East African Business Council (EABC), and the East African Development Bank (EADB) held the first Science, Technology and Innovation (STI) Conference under the theme: *Science, Technology and Innovation (STI) as a Catalyst Towards Achievement of East Africa Community Vision 2050*, in October, 2019. The biennial STI conference aimed to provide an opportunity for researchers, scientists, technologists, industrialists and innovators from the academia, public and private sectors to share research and development information for advancement of knowledge, technology and innovation in the EAC region.

In addition, EASTCO together with IUCEA, EABC, and EADB held the Academia-Public-Private-Partnership Forum (APPPF) Dialogue Session in October, 2019. APPPF is an annual event that aims to enhance collaboration and networking among various sectors for increased regional integration and socio-economic transformation.[67] Further, the first issue of the East African Journal of Science, Technology and Innovation (EAJSTI) was launched on 25th October, 2019. EAJSTI is a multidisciplinary, open access and peer review journal,

[65] EAC Budget Speech FY 2019/2020
[66] EAC Budget Speech FY 2019/2020
[67] https://www.eac.int/press-releases/138-education,-science-technology-news/1603-easteco-holds-1st-eac-science,-technology-and-innovation-conference-in-kampala,-ugand

publishing original research of relevance to the East African Community (EAC) region, covering basic and applied research in science, technology and innovation.

In line with East African Science and Technology Commission's (EASTECO) Strategic plan and the 5th EAC Development strategy, the following achievements were registered by end of FY 2018/19;[68]

(a) Development of the EAC regional policies for Science, Technology and Innovation (STI) and Intellectual Property, (IP) which were adopted by the EASTECO governing Board.

(b) In order to support the dissemination of Research and Development (R&D) production and findings and enhance the East African regional technological and innovation capability, a regional collaboration network was established linking the national Science and Technology Commissions/Councils and the national industrial research and technology development organizations for adaptation and transfer of manufacturing technologies. Further, national consultations were conducted to develop the EAC regional Research Agenda and Management Framework.

(c) EASTECO developed a regional innovation driven bio-economy strategy shared by the countries in the Eastern Africa region, and initial stage preparations were undertaken including stakeholder consultations, establishment and facilitation of National Working Groups (NWGs) and Regional Drafting Group (RDG) for the development of the strategy.

Education

The Inter-University Council for East Africa (IUCEA) facilitated the selection of four regional incubation centers in key priority areas. The regional incubation centres will be located at the Moi University in Kenya, University of Rwanda in Rwanda, Mbarara University of Science and Technology in Uganda and Nelson Mandela African Institution of Science and Technology in Tanzania. Each regional incubation centre will get financial support of US$250,000; and technical and capacity building support to Centres of Excellence.[69]

Further, in collaboration with KfW and the German Development Bank, IUCEA unveiled a student exchange programme providing fully sponsored postgraduate scholarships to 60 EAC students tenable at various universities in the Partner States. The Exchange programme which is worth Euros 5 million, targets students pursuing Mathematics, Engineering, Informatics, Science, Technology and Business Science programmes.

In line with the EAC vision of promoting a quality demand-driven TVET system, The Eastern Africa Skills for Transformation and Regional Integration Project (EASTRIP) was launched in Addis Ababa, Ethiopia. The project supports the development of highly specialized Technical and Vocational Education and Training (TVET) programs as well as industry-recognised short term certificate level training, and will target regional priority sectors in transport, energy, manufacturing and ICT. EASTRIP will be financed by the World Bank as an IDA loan of US$210 million and a grant of US$83 million. US$8 million of the grant will go to the Inter-University Council for East Africa (IUCEA) to facilitate and coordinate the project and implement regional initiatives that would promote the mobility of students and faculty within and beyond the region and to establish a community

[68] EAC Budget Speech FY 2019/2020

[69] EAC Budget Speech FY 2019/20

of practice of TVET in the region. The project is expected to skill a total of 60,000 youths by its closure in December 2024[70]

Culture, Arts and Sports

The EAC embraces culture, arts and sports as both enablers and drivers of a people centred integration agenda**.** EAC partner states aim to have shared historical, cultural and sports experiences that re-affirm EAC's cultural and sporting identity.[71]

With the aim of creating a platform to foster regional socio-cultural integration within the East African region, the 38th Extra ordinary Meeting of the Council approved the 4th edition of the Jumuiya ya Afrika Mashariki Utamaduni Festival **(**JAMAFEST), which took place in September, 2019 in Dar es Salaam, Tanzania themed "*Cultural Diversity: A Key Driver to Regional Integration, Economic Growth and Promotion of Tourism."* JAMAFEST aims to promote regional socio-cultural integration through arts and culture by providing a platform to showcase culture as a primary driver of regional integration.[72]

In August 2019, the 3rd East African Community Bicycle Tour (Tour d'EAC) was flagged off at the EAC Headquarters in Arusha, Tanzania. The tour involves over 100 cyclists taking on an epic route of over 4,300 km around East Africa over a course of 50 days. The aim of Tour d'EAC, is to promote the spirit of "*East Africanness"* among the people of East Africa, promote tourism and business potential of the Community while enhancing the awareness of social and cultural peculiarities of people and places in the East African Community.[73]

In line with further promoting Kiswahili as the *lingua franca*, The 15th EAC Sectoral Council on Education, Science and Technology, Culture and Sports approved the commencement of implementation of the East African Kiswahili Commission (EAKC) Mobility Programme. The EAKC Mobility Policy and Programme is a framework of strategic partnerships, strong and broad cooperation and a tool to provide opportunities for Kiswahili stakeholders to interact. The Draft Principles and Guidelines for Kiswahili Training Programmes and Manuals in the EAC, which provide broad policy recommendations on the approach and process of designing, developing and delivering Kiswahili Training Programmes in the EAC were also approved.[74]

Trans-boundary Resource Management

The EAC Partner States share many terrestrial and aquatic ecosystems. These shared ecosystems face major threats, which include depletion of natural resources due to rising population pressure, expansion in human activities; over-exploitation, unsustainable agricultural practices, over-fishing, pollution including both point and non-point sources, rampant conversion and destruction of wetlands in ecosystems such as Lake Victoria.[75] Regional cooperation in this area therefore focuses on preserving these fragile ecosystems. In 2019, USAID/Kenya and East Africa partnered with the EAC Secretariat in an effort to strengthen the Community's collaborative conservation and management of transboundary

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[70] https://www.eac.int/press-releases/138-education,-science-technology-news/1473-world-bank,-three-governments-and-iucea-launch-us$293-million-regional-skills-development-project-for-east-africa
[71] https://www.eac.int/culture
[72] https://www.eac.int/jamafest
[73] https://www.eac.int/press-releases/139-culture-sports-news
[74] https://www.eac.int/press-releases/139-culture-sports-news
[75] www.eac.int

natural resources. Over its 3-year duration, starting July 2019, the project will focus on the following three objectives:[76]

i. Strengthen EAC's evidence-based decision-making, regulation, technical coordination of strategic approaches and capacity building in conservation and management of transboundary natural resources;
ii. Increase regional public awareness on the value of natural resources ; and
iii. Reduce transboundary wildlife poaching and trafficking.

In strengthening harmonization of regional policies, strategies, plans and legal frameworks that support effective and efficient conservation and management of transboundary ecosystems in the East African Community, the project will support:

i. Development of a Regional Biodiversity Strategy and Action Plan (RBSAP);
ii. Review the EAC Protocol on Environment and Natural Resources Management, 2006;
iii. Review the EAC Transboundary Ecosystems Management Bill, 2012;
iv. Harmonize Regional Policy, Strategy and Legislation on Wildlife Conservation & Management; and
v. Support ratification of the East African Community Forests Management and Protection Bill, 2015

Lake Victoria

Lake Victoria is the second largest freshwater body in the world. The East African Community designated Lake Victoria Basin as an area of 'high economic interests' and a 'regional economic growth zone,' to be developed jointly by the EAC Partner States.[77] The rising water levels in the lake as a result of climate change and environmental degradation have been a recent concern for management of the resource and its surroundings. The water level started rising in October 2019, reaching 13.42 meters by 25th May 2020, surpassing the highest level last reached in 1964. The phenomenon has disrupted livelihoods and displaced thousands of people living around the lake shores in Uganda, Kenya and Tanzania. The need for management of the resource and its surroundings is therefore an imperative.

On 29th May 2019, the Lake Victoria Commission Act 2019 was enacted by the EAC and assented to by the Heads of State. The purpose of the Act is to provide for the Lake Victoria Basin Commission (LVBC) as an institution of the community responsible for coordination of stakeholder participation in sustainable development of the natural resources of the Lake Victoria Basin and the harmonization of policies, laws, regulations and standards concerning the Lake Victoria Basin.[78]

LVBC is implementing the Adapting to Climate Change in Lake Victoria Basin (ACC-LVB) Project coordinated in five East African Community (EAC) Partner States in collaboration with United Environment Programme (UNEP). The Project aims at reducing vulnerability to the negative effects of climate change in Lake Victoria Basin. Key project outcomes are institutional and technical strengthening, timely sharing of climate change related information with national policy-makers, technical officers and local communities,

[76] https://www.eac.int/environment/natural-resources-management/112-sector/environment-natural-resources-management/natural-resources-management
[77] Lvbcom.org
[78] https://www.lvbcom.org/

reduced community vulnerabilities, enhanced regional climate change resilience and improved knowledge sharing for effective decision-making in the Lake Victoria Basin.

In February 2020, LVBC launched the Lake Victoria Basin Integrated Water Resources Management Programme (LVB-IWRMP). The programme was launched on the backdrop of signing of the protocol agreement between the East African Community (EAC) and the Federal Republic of Germany in 2016 paving way for an Integrated Water Resources Management programme in the five LVB riparian Partner States. The programme offers innovative solutions to emerging development challenges in Lake Victoria Basin such as sanitation and water quality and availability occasioned by growing urbanization and climate change. For instance, Uganda's project—Artificial Wetland in Nakivubo Suburb—will contribute to filtering water flowing into Lake Victoria whereas Faecal Sludge Treatment project in Kigali is expected to act as a contribution to Rwanda's sanitation and sustainable environmental interventions. In Kenya, the LVB-IWRM Kisumu project will contribute towards reduction of untreated sewage from Manyatta Informal Settlement into Kisat River while in Mwanza, the project targets connecting 7,400 households to Mwanza Wastewater Stabilization Ponds.[79]

Nile Basin Initiative (NBI)

Guided by its 10 year strategy (2010-2027), NBI provides a platform to its 10 member states (Burundi, DR Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania, and Uganda), to foster cooperation and sustainable utilization of the trans-boundary resources. Under its mandate, NBI brings together countries in the Nile basin to chart ways of addressing common challenges like food, water, energy security as well as negative impacts of climate change.

The initiative has undertaken a number of projects under the area of natural resource management and development. The completed projects include;

(a) Launch of the US$ 5.5 million Nile Basin Regional HydroMet project that will enable the member states to share reliable data for monitoring of the Nile's water resources and will inform evidenced based decision making and national planning. In addition, the system is designed to provide more reliable data and information for water resources management including; food disaster preparedness, coordinated management, water storage dams, and improved navigation to climate change.[80]

(b) Nile Basin Initiative (NBI) secured funding of US$ 5.29 million from the Global Environment Facility (GEF), to implement a project aimed at attaining more effective use and protection of the shared ground water resources in the Nile Basin. The 5-year Groundwater Project whose implementation commenced in January 2020, will focus on improving the understanding of available groundwater resources and demonstrating how to optimise the joint use of surface and ground waters. Further, the project covers three shared aquifers involving seven (7) NBI member states. These are the Kagera aquifer shared by Burundi, Rwanda, Tanzania and Uganda; Mt. Elgon aquifer shared by Kenya and Uganda and Gedaref-Adigrat aquifer shared by Ethiopia and Sudan.[81]

(c) In partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), NBI secured a loan worth Euro 6 million (US$6.6 million) from the German Federal Environment Ministry's International Climate Initiative, to support German

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[79] https://www.lvbcom.org/

[80] https://www.nilebasin.org/media-center/press-releases/80-kenyan-deputy-president-ruto-announces-2nd-nile-basin-heads-of-state-summit-launches-regional-hydromet-project/file

[81] https://nilebasin.org/new-and-events/280-project-to-improve-use-and-protection-of-groundwater-in-the-offing

Federal Environment Ministry's International Climate Initiative. The aim of the project is to provide social and scientific data on water use along the Mara River to form the basis of a trans-boundary water allocation plan and water treaty.[82]

Regional Foreign Direct Investment (FDI)

FDI flows to Africa rose by 12 percent from US$41 billion in 2017 to US$46 billion in 2018.[83] This was due to continued investment in resource based sectors, diversification of investment and the recovery of inflows to South Africa. On the other hand, FDI into East Africa decreased by 15.9 percent to US$ 5.7 billion in 2018 from US$ 6.8 billion in 2017.

Inflows to Tanzania increased by 2.3 percent to US$ 3.1 billion while inflows to Burundi and Rwanda decreased by 76.8 percent and 11.5 percent to US$ 15.1 million from US$ 65.1 million in 2017 and to US$ 1015.3 million in 2018 from US$ 1147.7 million in 2017, respectively. In addition, FDI flows into Kenya and South Sudan fell by 32.4 percent and 11.7 percent from US$ 717.7 million and US$ 462.5 million recorded in 2017 to US$ 485.5 million and US$ 408.6 million in 2018 respectively.[84] Statistics for 2018[85] indicate that FDI inflows to Uganda grew by 66.6 per cent to US$ 1337 million in 2018 from $ 803 million recorded for 2017.

Overall, FDI inflows to the EAC were concentrated in manufacturing, construction and services sectors. While investment in these sectors is likely to be sustained, this is expected to be confined to a few countries in North and Southern Africa, and the emerging manufacturing hubs in East Africa. China and India continued to be the major sources of FDI into the EAC with inflows amounting to US$ 1.1 billion and US$ 281.02 million, respectively.

EAC Capital Markets

Equity Turnover

Regionally, equity turnover at the Nairobi Stock Exchange (NSE) during the period January to April 2020 fell by 5.58 percent to US$ 524.8 million from US$ 555.8 million registered in a similar period in 2019. The drop in turnover can be attributed to among other things, low participation from both domestic investors and off-shore investors due to the risk associated with the uncertainty generated by the Covid-19 pandemic.

Turnover at the Rwanda Stock Exchange (RSE) fell by 66.67 percent to US$ 0.38 million during the period January to April 2020 from US$ 1.14 million recorded in a similar period in 2019. The dip in market activity can be attributed to among others, low participation from both domestic investors and off-shore investors as a result of the Covid-19 pandemic.

On the other hand, turnover at the Dar es Salaam Stock Exchange (DSE) grew by 146.52 percent to US$ 43.6 million for the period January to April 2020, from US$ 17.7 million registered in a similar period in 2019. The increase in turnover can be attributed to among other things, increased investor activity on the Tanzania Breweries Limited, CRDB Bank Plc and National Microfinance Bank counters.

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[82] https://nilebasin.org/new-and-events/267-kenya-and-tanzania-living-on-the-mara-river-together
[83] World Investment Report 2019 - Special Economic Zones, UNCTAD
[84] EAC Trade and Investment Report, 2018
[85] World Investment Report 2019

Table 3.1: Market Turnover (in US$ million) for Regional Markets

	USE	DSE	NSE	RSE
Jan-Apr 2020	6.1	43.61	524.79	0.38
Jan-Apr 2019	7.16	17.69	555.82	1.14
Percentage change	-14.8	146.52	-5.58	-66.67

Source: USE, DSE, NSE and RSE market reports

Domestic Market Capitalization

Domestic market capitalization at the NSE trended downwards by 9.3 percent to US$ 19.79 billion at the end of April 2020 from US$ 21.82 billion at the end of April 2019. This decrease was driven by a fall in the share prices registered as investors exited owing to the Covid-19 pandemic.

Domestic market capitalization at the RSE fell by 1.8 percent to US$ 0.32 billion at the end of the review period, from US$ 0.33 billion recorded at the close of a similar period in 2019. The drop in market capitalization was driven by a fall in the share prices of both Bank of Kigali and Bralirwa.

On the other hand, domestic market capitalization at the DSE closed the month of April 2020 at US$ 4.01 billion from US$ 3.99 billion posted at the close of a similar period 2019, representing a gain of 0.5 percent.

Table 3.2: Domestic Market Capitalization (in US$ billion) for Regional Markets

Date	USE	DSE	NSE	RSE
30-April-2020	1.14	4.01	19.79	0.32
30-April-2019	1.31	3.99	21.82	0.33
Percentage change	-12.98	0.5	-9.3	-1.8

Source: USE, DSE, NSE and RSE market reports

3.2.3.2 Common Market for Eastern and Southern Africa (COMESA)

COMESA is a regional economic bloc consisting of 21 countries. The main priorities of the bloc are implementation of a tripartite Free Trade Area, a Customs Union and regional trade promotion. The tripartite FTA brings together 28 countries that are members of COMESA, the East African Community (EAC) and the Southern African Development Community (SADC). Therefore, the implementation of the TFTA is critical in addressing key constraints to trade in the region, namely; the structure of production and the composition of exports in the member/partner States.

Implementation of the Tripartite Free Trade Agreement was boosted following a spike in the number of countries ratifying and set to ratify the Agreement. Eight countries have so far ratified the agreement with six remaining to attain the required threshold of 14 for the Agreement to enter into force. Namibia is the latest to ratify the TFTA agreement, and on 25th February, 2020, the country's High Commissioner to Zambia deposited the Instrument of Ratification to the Tripartite Task Force.[86] Namibia joined Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi and Botswana in the roll of honour of countries that have ratified the Tripartite Free Trade Area Agreement. Seven countries are in advanced stages of the ratification process: these are Comoros, Eswatini, Malawi, Sudan, Tanzania, Zambia and

[86] https://www.comesa.int/implementation-of-the-tripartite-free-trade-area-now-in-sight/

Zimbabwe and are expected to complete the ratification process before the end of 2020 paving way for its implementation.

In regard to regarding addressing Non-Tariff Barriers, 25 member/partner states have established focal points and National Monitoring Committees who are currently utilizing the Tripartite NTBs online monitoring, reporting and elimination mechanism. Further, Sanitary and Phytosanitary and Technical Barriers to Trade (SPS/TBT) risk profiling and risk assessment were completed for 10 Member/Partner States. Additionally, tools to assess SPS/TBT costs and the cost measures documented for selected commodities and trade routes were developed.[87] Under the Infrastructure pillar, Kenya, Egypt, Eswatini, Ethiopia, Rwanda and Zimbabwe signed the commitment on operationalization of the Single African Air Transport Market under the Yamoussoukro Declaration on liberalization of Access to Air Transport Markets in Africa.

Intra-COMESA Trade

The increase in membership of the Common Market for East and Southern Africa (COMESA) from 19 to 21 after the admission of Tunisia and Somalia in 2018 has increased the volume of trade within the block.[88] The gains are expected to promote further job creation through enhanced investments for industrialisation.

Intra-COMESA total exports rose by 10 percent in 2018 on account of intra-regional performance growth poles anchoring on the overall positive trend for Egypt, Zambia, DR Congo, Tunisia and Rwanda whose exports grew by 15 percent, 31 percent, 58 percent, 25 percent and 5 percent respectively over the same period.[89] The aforementioned countries collectively accounted for 56 percent share of intra-COMESA total exports. This performance is partly accountable to the efforts put forth to ensure that all non-tariff barriers are removed and no new cases are registered. By March 2020, a total of 744 NTBs had been reported in the Tripartite region out of which 58 were yet to be resolved.[90] It's worth noting that for the outstanding NTBs, 45 percent are among EAC Partner States.

Furthermore, trade facilitating infrastructure has been put in place. Notable in this regard is the COMESA Regional Payment and Settlement System (REPSS), a Multilateral Netting System with End-Day Settlement in a single currency. It allows regional trade transactions using local currencies thus reducing dependency on dollars and euros. This cuts on collateral requirements as central banks are directly involved in the system and trade is mainly amongst members. REPSS has recorded over US $138 million and nearly one million Euros in value transacted through the nine participating Central Banks over the last five years ending 31 January 2020.

In July 2019, COMESA developed a Manual for harmonized regional grading and classification system of beef cattle, goats and sheep. The development is a strategic objective of the COMESA Livestock Policy Framework to strengthen regional livestock value chains. Under the system, livestock importers from one country can make orders in another, based on the classification. It will be used across COMESA Member States to facilitate trade between livestock buyers and the sellers. The system will create

[87] www.comesa.int
[88] COMESA Annual Report 2018
[89] COMESA Annual Report 2018
[90] www.tradebarriers.org accessed on 6th March 2020

opportunities for long distance trade deals without the need for buyers and sellers to be physically present in the same market.[91]

3.2.3.3 African Continental Free Trade Area (AFCFTA)

The African Continental Free Trade Area (AfCFTA) agreement was adopted in April 2019 after securing the required ratifications minimum threshold of 22 countries. Forty four 44 countries had signed the FTA by March 2018 upon which it came into force. Uganda signed the agreement during the 10th Extraordinary Session of the Assembly in Rwanda. To date, all 55 African countries have signed the AfCFTA save for Ethiopia. However, only 28 countries had ratified by 30th May, 2020[92]. The African Continental Free Trade Area (AfCFTA) is currently going through its first implementation phase.

The operational phase of the African Continental Free Trade Area was launched at the 12th Extra-Ordinary AU Summit which took place in Niamey, Niger on 7 July, 2019.[93] The agreement is being negotiated in two phases. Phase one covers trade in goods and trade services disciplines, as well as dispute settlement; while phase 2 will focus on cooperation on investment, competition and intellectual property rights. Under phase one, the AfCFTA will be governed by five operational instruments, i.e. the Rules of Origin; the online negotiating forum; the monitoring and elimination of non-tariff barriers; a digital payments system and the African Trade Observatory. During the launch, Ghana was confirmed by the Heads of State and Government as the host of the secretariat of the AfCFTA.

Furthermore, an online platform developed by UNCTAD and the African Union to help remove non-tariff barriers to trade in Africa became operational on 13 January, 2020.[94] The AfCFTA, is expected to boost intra-African trade, which at 16 percent is low compared to other regional blocs like the European Union and Asian region whose intra-trade share is 68 percent and 60 percent respectively. Non-tariff barriers have been identified as the main obstacles to trade between African countries. The success of the AfCFTA therefore, depends in part on how well governments can track and remove them. The online tool will help African governments to monitor and eliminate such barriers, which slow the movement of goods and cost importers and exporters in the region billions annually. Complaints logged on the platform will be monitored by government officials in each nation and a special coordination unit housed in the AfCFTA secretariat. The unit will be responsible for verifying a complaint. Once verified, officials in the countries concerned will be tasked with addressing the issue within set timelines prescribed by the AfCFTA agreement. In December 2019, 60 public officials and business representatives from across Africa were trained by UNCTAD and the African Union in use of this tool.

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[91] https://www.comesa.int/new-livestock-quality-standards-to-spur-regional-animal-trade/
[92] https://au.int/sites/default/files/treaties/36437-sl-AGREEMENT%20ESTABLISHING%20THE%20AFRICAN%20CONTINENTAL%20FREE%20TRADE%20AREA%20%282%29.pdf
[93] https://au.int/en/pressreleases/20190707/operational-phase-african-continental-free-trade-area-launched-niger-summit
[94] https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2273

CHAPTER 4: PERFORMANCE OF THE ECONOMY

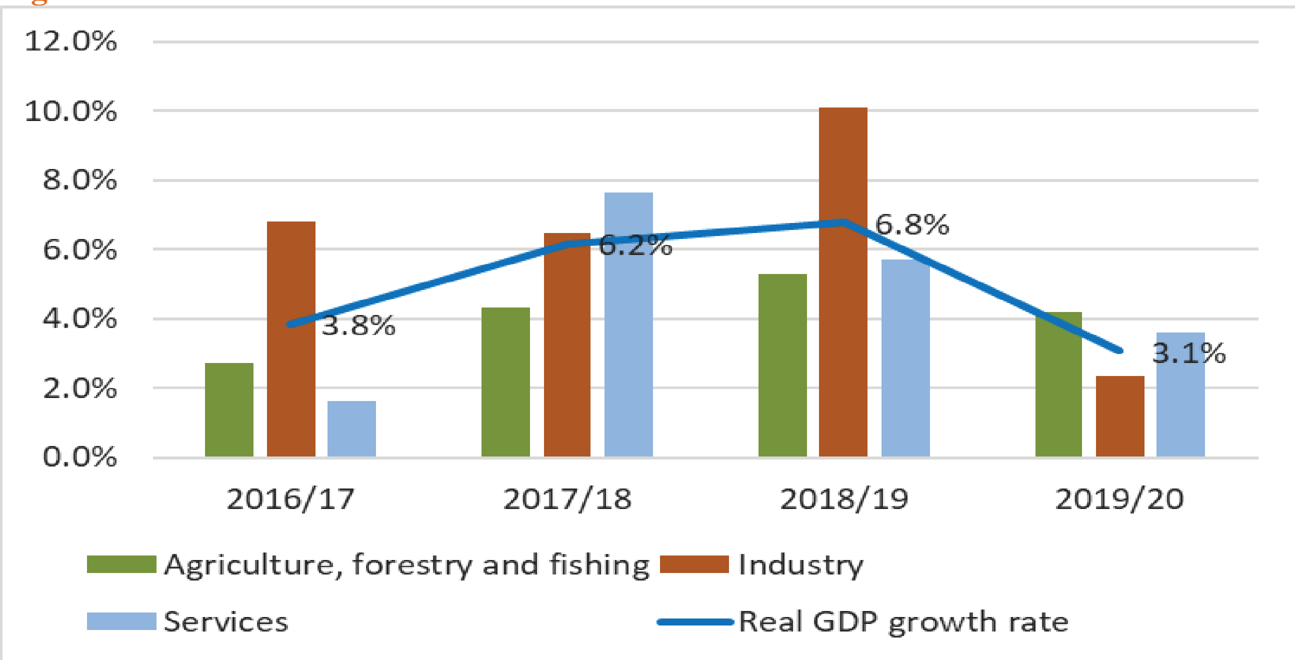
4.1 REAL SECTOR DEVELOPMENTS

4.1.1 Economic Growth Performance

The size of the economy in FY 2019/20 is estimated at Shs. 138,283 billion in nominal terms. Recent estimates from the Uganda Bureau of Statistics (UBoS) indicate that the economy grew by 3.1 percent in FY 2019/20, which is lower than 6.8 percent growth registered in FY 2018/19 and lower than the projected growth rate of 6.0 percent during the Budget Framework Paper (BFP) preparation time. The main driver of the dampening in economic activity is the triple effect of the COVID-19 pandemic, locust invasion and flooding on the economy.

All sectors are estimated to register lower growth rates compared to FY 2018/19. Agriculture, forestry and fishing grew by 4.2 percent, lower than 5.3 percent registered in FY 2018/19. The Services and Industry sectors have been most hit by the COVID-19 pandemic. The services sector has grown by 3.6 percent compared to 5.7 percent in the last financial year, while growth in the Industry sector is estimated to have slowed to 2.3 percent from 10.1 percent in FY2018/19.

Figure 4.1: Real GDP Growth Rates FY 2016/17-FY 2019/20



Source: UBOS.

Agriculture, Forestry and Fishing Sector

Agriculture, Forestry and Fishing sector is estimated to have grown by 4.2 percent in FY 2019/20. This growth is due to increased production of cash crops, food crops and livestock which were supported by Government interventions through extension services as well as favourable weather conditions that were experienced in the first three quarters of the financial year. However, this growth is lower than 5.3 percent registered for FY2018/19 partly explained by lower agricultural productivity, the locust invasion and flooding in some parts of the country.

Industry

The industry sector is estimated to have grown by 2.3 percent, a slowdown from 10.1 percent last financial year. Growth in manufacturing, construction, mining and quarrying is estimated to have slowed down to 1.4 percent, 5.4 percent and -2.8 percent, from 7.8 percent, 14.2 percent and 33.4 percent respectively in FY 2018/19. Growth in the sector was curtailed by both demand and supply chain disruptions due to the partial lockdown restrictions that were imposed by Government in a bid to curb the spread of COVID-19 pandemic.

Services

The services sector was also affected by the COVID-19 pandemic, with growth slowing to 3.6 percent from 5.7 percent recorded in FY 2018/19. The sub-sectors are estimated to have grown as follows; trade and repairs (-1.6 percent compared to 4.9 percent in FY 2018/19), transport (-1.5 percent compared to 2.2 percent in FY 2018/19), accommodation and food services (-7.0 percent compared to 3.0 percent in FY 2018/19), real estate activities (5.1 percent compared to 10.1 percent in FY 2018/19), and education (2.6 percent compared to 7.7 percent in FY 2018/19). The most affected sub-sectors by the COVID-19 pandemic in services were: tourism, accommodation & food services as well trade & repairs, transport and education.

Table 4.1: Real GDP Growth Rates for FY 2016/17-FY 2019/20

	2016/17	2017/18	2018/19	2019/20
GDP at market prices	**3.8**	**6.2**	**6.8**	**3.1**
Agriculture, forestry and fishing	**2.7**	**4.4**	**5.3**	**4.2**
Cash crops	9.4	6.0	4.2	2.6
Food crops	2.2	8.4	1.5	4.3
Livestock	7.0	7.1	7.3	7.7
Agriculture Support Services	3.8	-0.5	8.8	6.3
Forestry	3.5	3.4	3.6	3.2
Fishing	-7.8	-25.2	41.4	1.6
Industry	**6.8**	**6.5**	**10.1**	**2.3**
Mining & quarrying	32.7	30.5	33.4	-2.8
Manufacturing	3.6	4.6	7.8	1.4
Electricity	9.2	5.5	2.5	3.6
Water	5.6	4.0	4.7	4.0
Construction	11.7	7.6	14.2	5.4
Services	**1.6**	**7.6**	**5.7**	**3.6**
Trade and Repairs	-1.3	7.5	4.9	-1.6
Transportation and Storage	2.3	10.2	2.2	-1.5
Accommodation and Food Service Activities	19.7	8.1	3.0	-7.0
Information and Communication	18.4	-3.9	-0.6	34.3
Financial and Insurance Activities	-2.6	3.5	7.7	7.3
Real Estate Activities	1.5	11.6	10.1	5.1
Professional, Scientific and Technical Activities	1.9	8.0	2.9	4.4
Administrative and Support Service Activities	-2.2	4.9	17.5	11.7
Public Administration	18.6	9.7	3.2	13.0
Education	-11.3	6.9	7.7	2.6
Human Health and Social Work Activities	0.0	16.4	5.1	1.9
Arts, Entertainment and Recreation	29.7	65.8	21.2	-10.3
Other Service Activities	0.3	-2.1	2.1	3.2
Activities of Households as Employers	2.8	2.8	2.8	2.8
Taxes on products	**10.9**	**2.1**	**5.8**	**-1.3**

Source: UBOS.

4.2 MONETARY AND FINANCIAL SECTOR DEVELOPMENTS

4.2.1 Monetary Policy Framework

Bank of Uganda (BoU) continued to implement the Inflation Targeting monetary policy framework and succeeded in keeping inflation low and stable, consistent with BoU's medium-term target of 5 percent. The BoU sets the Central Bank Rate (CBR) every two months and uses Repurchase (REPO) and reverse REPOs, Deposit Auctions as well as issuance of recapitalization securities in the secondary market to steer the 7-day interbank money market rate, towards the CBR.

BoU largely maintained an accommodative monetary policy stance during FY 2019/20 in line with the inflation outlook. The stance was aimed at boosting private sector credit growth so as to strengthen the economic growth momentum. The CBR was reduced by 1 percentage point to 9 percent in October 2019 as the benign inflation outlook provided room for a reduction in the policy rate to support economic growth and reinforce market confidence. The band on the CBR was maintained at +/-3 percentage points and the margin on the rediscount rate at 4 percentage points on the CBR. The 7-day money market interest rate continued to trend close to the CBR and in turn largely steered the movement of all other interest rates. Although the inflation outlook was relatively low, it remained heavily contingent on the intensity, spread and duration of the COVID-19 pandemic, and the heightened volatility in the exchange rate market. The deterioration in the macroeconomic conditions and expectations of a weaker outlook prompted the BoU to further ease monetary policy, and the CBR was reduced to 8 percent in April 2020.

In light of the likely impact of the COVID-19 pandemic on the financial sector, BoU directed Supervised Financial Institutions (SFIs) to defer payments of all discretionary distributions such as dividends and bonus payments for at least 90 days effective end March 2020, depending on the evolution of the pandemic. This was to ensure that SFIs maintained adequate capital buffers, while supporting the real economy. In its Monetary Policy Statement of April 2020, BOU put in place the following additional measures to provide liquidity support during the pandemic period: i) Provision of exceptional liquidity assistance to commercial banks in liquidity distress for a period of up to one year; ii) Provision of liquidity to commercial banks for a longer period through issuance of reverse REPOs of up to 60 days at the CBR, with opportunity to roll over, and; iii) Purchase of Treasury Bonds held by Microfinance Deposit taking Institutions (MDIs) and Credit Institutions (CIs) in order to ease liquidity distress whenever it arose. The MDIs and CIs with no holdings of Treasury bills or bonds in their asset holdings would be provided with liquidity secured by their holdings of unencumbered fixed deposits or placements with other SFIs.

Furthermore, BoU extended credit relief measures to borrowers of Supervised Financial Institutions (SFIs), to mitigate the adverse effects of the COVID-19 pandemic, facilitate the financial intermediation process, and ensure financial sector stability during the pandemic period. SFIs were granted exceptional permission to restructure loans of corporate and individual customers including a moratorium on loan repayment for borrowers affected by the pandemic, on a case by case basis, at the discretion of the SFIs for up to 12 months, effective April 1st, 2020. The prepayment of arrears as a condition for restructuring a credit facility was suspended for 12 months, and the credit status of borrowers at the time of granting a repayment holiday was to remain unchanged for the duration of the said repayment.

BoU will continue to cautiously monitor and stand ready to adapt a suitable monetary policy stance to the changing economic, domestic and external developments in order to achieve its primary objective. BoU will also continue to safeguard financial sector stability and stand ready to issue additional measures as risks from the COVID-19 pandemic evolve.

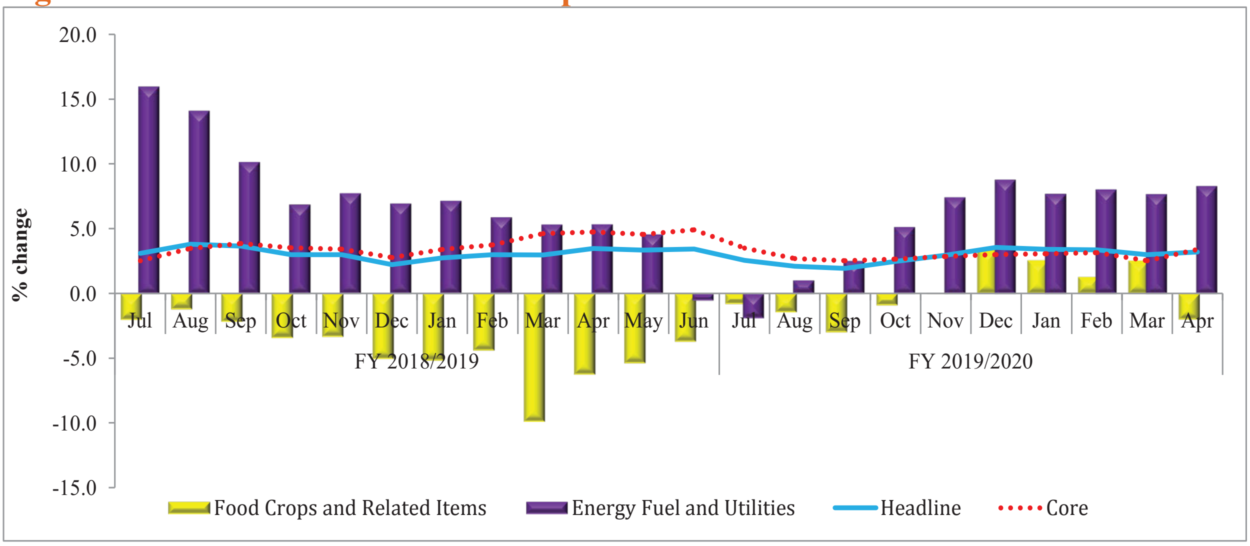
Inflation Developments and Outlook

Inflation remained relatively subdued, with both annual headline and core inflation averaging 2.9 percent in the ten months to April 2020 on account of lower clothing and footwear, as well as transport inflation. Annual clothing and footwear inflation declined to an average of 3.9 percent in the ten months to April 2020 from an average of 5.4 percent in the same period last financial year. Transport inflation also declined sharply to an average of 3.3 percent from an average of 12.2 percent in the same period. Annual other goods, and services inflation remained broadly subdued at an average of 3.9 percent and 1.5 percent, respectively, during the same period.

Annual energy, fuel, and utilities (EFU) inflation decreased to 5.5 percent in the ten months to April 2020 from 8.6 percent in the same period last financial year. The decline in EFU inflation was mainly on account of lower annual diesel, kerosene/paraffin, and petrol inflation which recorded significant declines to minus 7.3, minus 2.3 and minus 5.3 percent, respectively, from 18.9, 17.2 and 12.2 percent following lower world oil prices. On the other hand, charcoal inflation increased by 8.5 percent in the same period.

Annual food crop inflation increased to an average of 0.2 percent in the ten months to April 2020 from minus 4.3 percent in the same period last FY; largely due to an increase in annual vegetable inflation. As depicted in Figure 4.2 below, annual headline, core, as well as food crops and related items inflation has remained below 5 percent for close to two financial years.

Figure 4.2: Domestic Inflation Developments



Source: Bank of Uganda

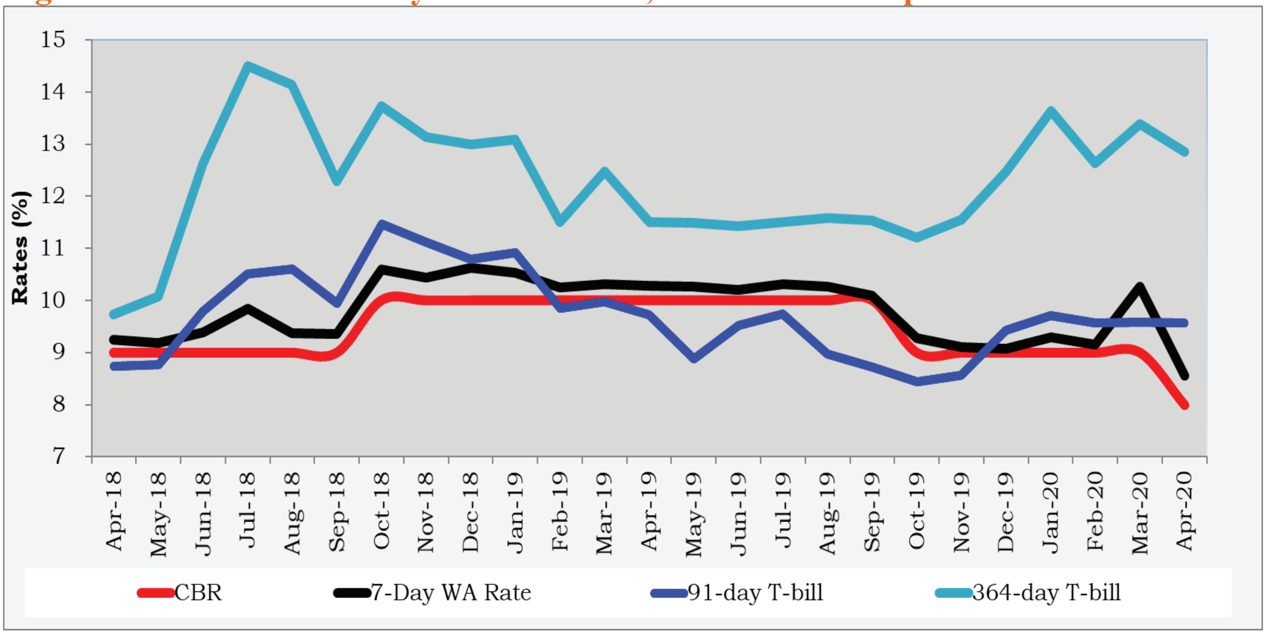
In the near-term, inflation is projected to remain subdued and is expected to converge to the 5 percent target in the medium-term. Nonetheless, the outlook is susceptible to several risks. On the downside, low world oil prices coupled with slower global demand would deflate domestic inflationary pressures. Demand constraints related to the COVID-19 pandemic could overwhelm the effects of supply disruptions on inflation in the near term.

Additional tighter and prolonged lock-down measures in response to the pandemic could constrain demand further. However, on the upside, if the COVID-19 pandemic persists, inflation could be higher than currently projected. Also, a worsening current account balance on account of the pandemic could put pressure on the exchange rate, thereby fueling inflationary pressures. The rising fiscal deficit due to large spending pressures against significant domestic revenue shortfalls could also exert pressure on domestic inflation. Furthermore, unpredictable and adverse weather conditions coupled with the threat from the impact of the locust invasion on agricultural output could stoke food crop inflation.

Interest Rates

The weighted average 7-day money market rate, which is the operational target of monetary policy, declined in the FY 2019/20 in line with the decrease in the CBR. The 7-day money market rate averaged 9.5 percent in the 10 months to April 2020, down from 10.2 percent recorded in the same period the previous financial year. Following a period of relatively eased liquidity conditions, BOU tightened liquidity conditions in an effort to stem exchange rate volatility in March 2020. As such, the 7-day interbank rate rose slightly above the upper band of the CBR. Interest rates, however, declined again in April 2020 as BOU offered liquidity support and continued to actively ensure smooth operations in the domestic money market. Figure 4.3 shows the evolution of key interest rates from March 2018 to April 2020.

Figure 4.3: Evolution of Key Interest Rates, March 2018 – April 2020

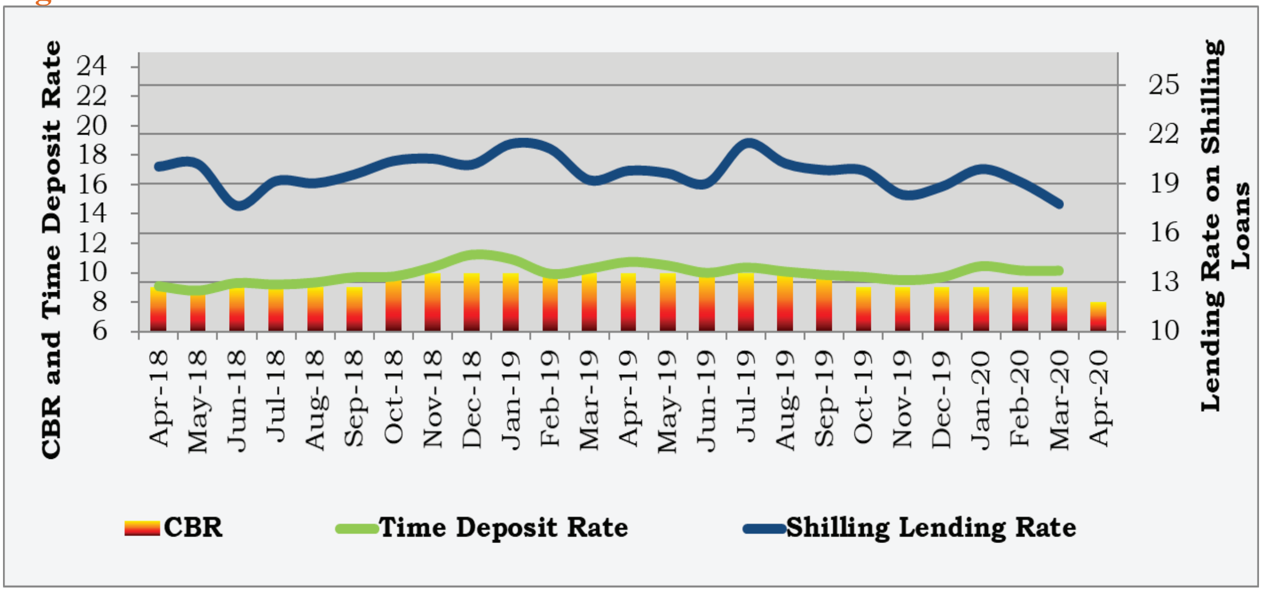


Source: Bank of Uganda

Similarly, in the year to April 2020, interest rates on Government securities on average declined in line with the monetary policy stance. The 91-day, 182-day, and 364-day Treasury bill annualized yields fell to averages of 9.2, 11.0, and 12.2 percent, respectively, in the 10 months to April 2020 from 10.3, 11.7 and 12.7 percent recorded in FY 2018/19. Yields, however, edged up in the quarter to March 2020 as investors' concerns over risks related to the COVID-19 pandemic grew. A decline in demand for government securities was also registered as liquidity constraints increased. Treasury Bonds generally followed a similar trend during the financial year, recording annualized average yields for the 2-year, 10-year, and 15-year tenors at 13.5 percent, 15.2 and 15.0 percent respectively, lower than the 14.6 percent, 16.6 percent, and 16.8 percent, respectively, recorded in the same period in FY 2018/19. During the first quarter of the financial year, commercial bank interest rates on shilling denominated loans rose to a weighted average of 20.5 percent from 19.5 percent in the previous quarter, partly reflecting tightening credit standards. Following the initial increase, the rates started to decline gradually in line with the accommodative monetary policy stance and remained relatively stable thereafter. Compared to 19.9 percent recorded in FY 2018/19, the weighted average lending rate on shilling denominated loans declined to 19.5 percent in FY 2019/20, as of March 2020. The lending interest rates are expected to rise in the last quarter of the year on account of worsening Non-Performing Loans (NPLs) as businesses fail to service their loan obligations due to the fallout from the COVID-19 pandemic.

The shilling weighted time deposit rate remained relatively stable at an average of 10 percent for the FY 2019/20, as of March 2020. For the same period, the weighted average lending rate on foreign currency denominated loans averaged at 6.7 percent, down from 7.5 percent recorded in the previous year. Figure 4.4 shows the trend in CBR and commercial banks' interest rates.

Figure 4.4: Trend in CBR and Commercial Banks' Interest Rates



Source: Bank of Uganda

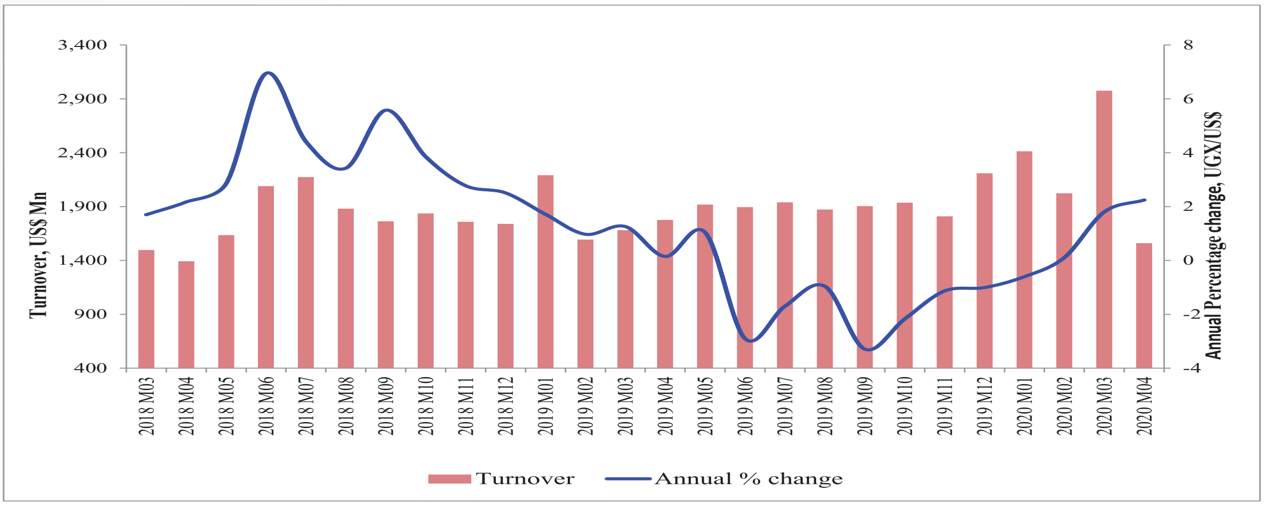
Exchange Rate Developments

BoU pursues a floating exchange rate regime with occasional interventions in the Interbank Foreign Exchange Market (IFEM) to maintain stability during periods of high volatility. In the first half of FY 2019/20, the Uganda Shilling strengthened against the US Dollar, appreciating by 0.53 percent on average, from Shs. 3,696.49 in July 2019 to Shs. 3,676.73 in December 2019.

However, depreciation pressures ensued in February 2020, with the shilling depreciating by 2.5 percent between January and March 2020, to an average exchange rate of Shs. 3,772.91 per US Dollar. There were further depreciation pressures in April, with the shilling per US Dollar rate dropping to Shs. 3,805.0 on the 29th April 2020, largely driven by panic buying of foreign currency on account of negative sentiments around the COVID-19 pandemic, which saw the exit of offshores, coupled with increased demand associated with dividend payments, and speculative tendencies. This was exacerbated by the reduction in the supply of foreign exchange, particularly from tourism and remittances.

BoU continued to purchase foreign exchange to build reserves. In the first ten months of FY 2019/20, the Bank purchased USD 744.7 million for reserve build-up, higher than the projected amount of USD 712 million for the financial year. USD 92.4 million was sold in targeted sales to particular companies, largely UETCL, while USD 198.9 million was sold through intervention sales, to stem volatility in the market during the peak of the COVID-19 pandemic in March 2020. Overall, BoU's actions in the IFEM during FY 2019/20 amounted to a net purchase of USD 453.4 million by the end of April 2020. (Figure 4.5)

Figure 4.5: Turnover in the IFEM and annual change in the Exchange Rate, 2018-2020



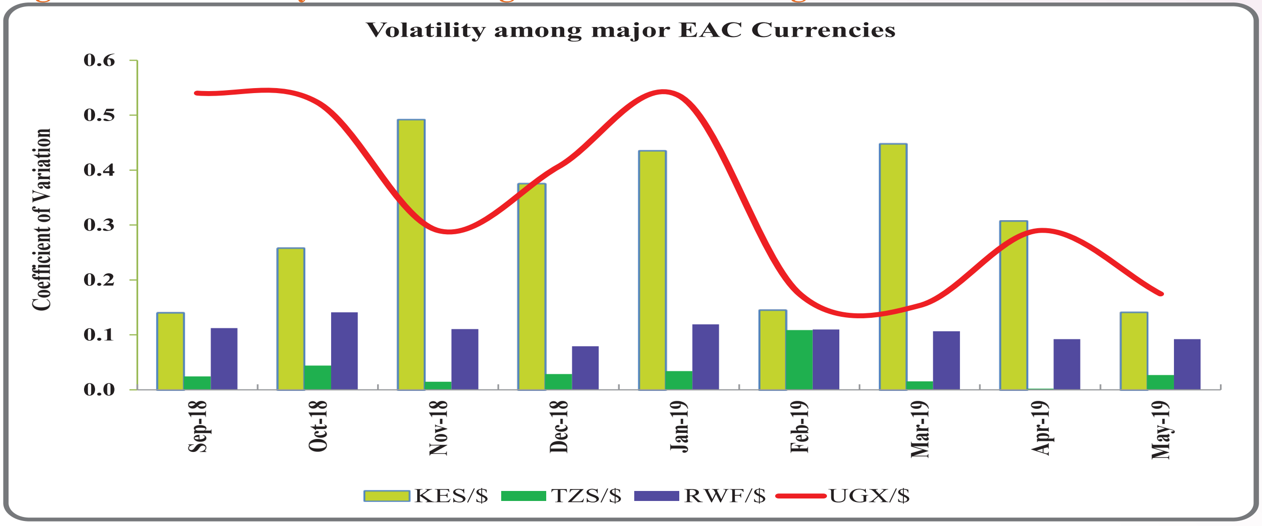
Source: Bank of Uganda

Going forward, there is likely to be continued volatility in the exchange rate on account of uncertainty in global trade markets driven by the COVID-19 pandemic.

Comparison with Regional and International currencies

At the beginning of the FY 2019/20, the US Dollar strengthened on the back of strong growth prospects in the US compared to other advanced countries that saw several global currencies weaken, particularly the Euro, South African Rand, British Pound, Swedish Krone, and Chinese Yuan. In emerging economies, the Turkish Lira and Pakistan Rupee also experienced large depreciation pressures. However, since January 2020, the COVID-19 pandemic has caused more global currencies to face higher depreciation pressures as investors turn to safe-haven currencies, in particular, the US dollar. Emerging economies have been grossly affected, especially, the Brazilian Real and Indonesian Rupiah. Similarly, East African currencies also experienced high volatility especially in March and April 2020, as evidenced in Figure 4.6, prompting a large number of interventions in the foreign exchange markets to stabilize the currencies.

Figure 4.6: Volatility of Select Regional Currencies against the US Dollar



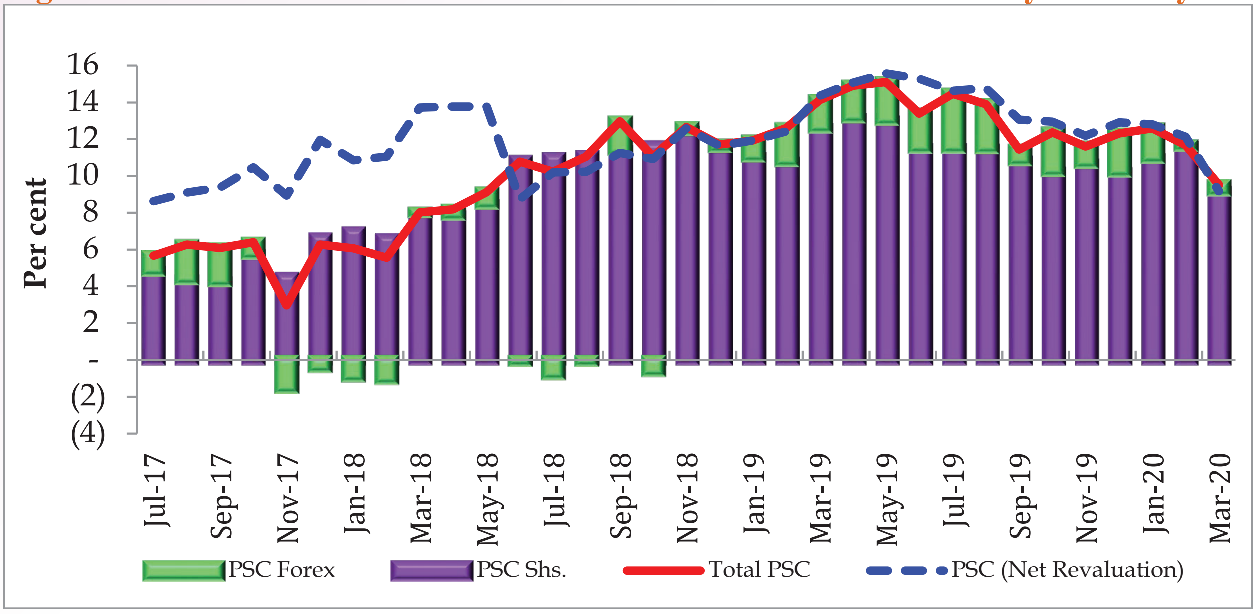
Source: Bank of Uganda

Private Sector Credit

Growth in Private Sector Credit (PSC) slowed gradually in FY 2019/20 relative to the growth registered in FY 2018/19. The slowdown was due to a combination of factors notably: a drop in business activity in the first quarter of FY 2019/20, worsening asset quality reflected by a pickup in NPLs, and the breakout of the COVID-19 pandemic that led to a lockdown, disrupting economic activity in the second half of the FY 2019/20. The annual growth in PSC (net of valuation changes on account of exchange rate movements) declined from an average of 14.5 percent in the fourth quarter of FY 2018/19 to 13.3 percent in the first quarter of FY 2019/20. PSC in annual terms also dropped further from 12.1 percent in the second quarter of FY 2019/20 to 11.3 percent in the third quarter of FY 2019/20. These movements were mainly driven by local currency lending, which averaged 16.4 percent in the year to March 2020, lower than the 18.6 percent in the same period in the previous year, as shown in Figure 4.7**.**

On the contrary, foreign currency lending recorded an improvement, averaging 5 percent relative to *minus* 1.3 percent over the same period. In the remaining months of FY 2019/20, the growth of PSC is likely to decline given the low level of economic activity due to the containment measures for COVID-19 such as the lockdown. Nonetheless, the cost of credit remains relatively low and could incentivize demand for credit when business activity returns to normal.

Figure 4.7: Contributions to Annual Private Sector Credit Growth by Currency



Source: Bank of Uganda

During FY 2019/20, most economic sectors continued to register robust credit growth. Lending to the agriculture, trade, building, construction, and real estate sectors, which jointly make up a share of 54 percent, registered higher average growth of 19.3 percent, 13.6 percent and 12.6 percent, respectively as shown in Table 4.2 compared to 15.5 percent, 13.1percent and 10.6 percent during the FY 2018/19. However, growth was slower in the manufacturing, personal and households, and transport and communications sectors (combined share of 35 percent) declined and average 10.8 percent, 9.6 percent, and *minus* 16.3 percent, respectively compared to 15.7 percent, 11.6 percent, and *minus* 1.2 percent in FY 2018/19. The slowdown in credit growth partly reflects increased risk aversion associated with rising NPLs. As of December 2019, the NPL ratio had risen to 4.7 percent from 4.4 percent and 3.8 percent in September 2019, and June 2019 respectively, with the highest increase of 4.3 percentage points registered in the trade sector.

Table 4.2: Average Annual Private Sector Credit Growth

	FY 2018/19	FY2019/20*
By Sector		
Agriculture	15.5	19.3
Manufacturing	15.7	10.8
Trade	13.1	13.6
Transport and Communication	-1.2	-16.3
Building, Mortgage, Construction and Real Estate	10.6	12.8
Personal and Household Loans	11.6	9.6
Other Sectors**	13.0	17.0
By Currency		
Shilling Lending	18.8	16.4
Foreign Currency Lending	2.4	4.3
Total Credit to the Private Sector	12.6	12.2
Total Credit to the Private Sector (Net of valuation changes)	12.6	12.7

Source: Bank of Uganda *Data up to March 2020. ** Includes Mining & Quarrying, Electricity & Water, Business Services, Community, Social and Other Services

4.2.2 Financial Sector Developments

This section includes developments in Uganda's financial sector over the year, highlighting performance in banking, insurance, pensions, and capital markets as well as the progress on financial inclusion. It also highlights prospects for the sector, including legal and regulatory issues that affect it.

The banking sector remained relatively stable and well-capitalized with only two institutions registering capital impairment during the period under review. Some regulatory changes were introduced aimed at improving the sector's resilience to both the expected and unexpected shocks to the core business. The sector continued to shift from the traditional brick and mortar to electronic and agent banking platforms to meet the varying customer expectations and as a way of reducing costs of operations.

a) Commercial Banks

Uganda's banking sector expanded in the 12 months to March 2020 marked by the 17.3 percent growth in total assets (net) mainly driven by growth in net loans and advances of 10.7 percent, balances with banks abroad of 56.3 percent, and balances with BoU of 41.3 percent. The quality of assets, the majority of which are loans and advances (42.1 percent of total assets (net)), deteriorated resulting in an NPL ratio of 5.4 percent in March 2020, up from 3.8 percent recorded in March 2019. The banking sector remained generally well-capitalized with core and total capital to risk-weighted assets ratios of 20.3 percent and 21.9 percent, respectively, well above the statutory minimum requirements of 10 percent and 12 percent, respectively, at March 2020. Notwithstanding, one institution recorded a core capital to risk-weighted assets ratio of 8.1 percent, which was below the statutory minimum requirement of 10 percent. In line with the Financial Institutions Act (FIA), 2004, the Board of Directors of the particular commercial bank is undertaking remedial measures to ensure that the institution's capital adequacy is restored by June 30th, 2020.

During the period under review, the banking sector continued to adopt and implement changes in the International Financial Reporting Standards (IFRS), particularly, IFRS 16 on leases that require commercial banks to compute and recognize the right use of asset and lease liability in their statements of financial positions. Accordingly, banks accounted for all leases on their balance sheets with effect from 1st January 2019, including those which had previously been recorded as operating leases in the statement of profit or loss account as an expense. Therefore, all the annual financial statements for the year ended 31st December 2019 for all the banks were prepared in accordance with IFRS 16.

b) Credit Institutions (CIs)

During the FY 2019/2020, CIs registered growth in assets and remained generally capitalized. The total assets of CIs grew by 13.0 percent between June 2019 and March 2020, largely attributed to an increase in balances with financial institutions in Uganda, which grew by 23.7 percent, to Shs. 214.8 billion, from Shs.173.6 billion.
All CIs maintained paid-up capital above the statutory minimum of Shs.1 billion. As at end of March 2020, the subsector's aggregate core and total capital held were Shs.154.8 billion and Shs.163.6 billion respectively, and the corresponding ratios of risk-weighted assets stood at 22.2 percent and 23.5 percent, respectively. The total number of CIs as at the end of March 2020 was 4, following the transformation of Opportunity Bank Uganda Limited into a Tier 1 institution.

BRAC Uganda Bank Limited and Post Bank Uganda Limited remained well-capitalized, liquid, and financially sound during FY 2019/20. However, as at March 2020, Mercantile

Credit Bank's core and total capital to risk-weighted assets stood at 12.8 percent and 13.7 percent, respectively, marginally above the statutory requirement of 10 percent and 12 percent, respectively. Top Finance Bank Limited was undercapitalized with core and total capital to risk-weighted assets at 7.7 percent and 8.4 percent, respectively, below the minimum statutory capital requirements of 10 percent and 12 percent, respectively. The BoU issued a directive to Top Finance Bank Limited to come up with a capital restoration plan by May 31st, 2020.

c) Microfinance Deposit-Taking Institutions (MDIs)

All MDIs maintained unimpaired paid-up capital above the statutory minimum requirement of Shs. 500 million. Paid-up capital held by the sub-sector grew by Shs. 0.68 billion to Shs. 70.0 billion at March 31st, 2020 from Shs. 69.3 billion at March 31st, 2019. The MDIs also complied with the on-going core and total capital adequacy ratios of 15 and 20 percent, respectively, and maintained liquid assets in the amounts stipulated under the MDI (Liquidity and Funds Management) Regulations, 2004.

Total assets held by the sub-sector increased by 27.9 percent (Shs.145.9 billion) to Shs. 669.6 billion at end of March 2020 from Shs. 523.7 billion at end of March 2019. The increase in total assets was largely on account of balances with financial institutions in Uganda, and gross loans of 54.0 percent (Shs.70.6 billion) and 17.9 percent (Shs.56.5 billion), respectively.

Similarly, total liabilities increased by 38.6 percent (Shs.130.7 billion) to Shs. 469.4 billion as at March 31st, 2020 from Shs.338.7 billion as at March 31st, 2019 largely due to growth in customer deposits and long-term borrowings of 28.8 percent (Shs. 67.5 billion) and 65.7 percent (Shs. 34.8 billion), respectively.

The latest regulatory developments include the drafting of MDI (Registered Society) regulations to give effect to the provisions of Section 110 of the Tier IV Microfinance Institutions and Money Lenders Act, 2016. The regulations are under review and consideration for approval by the Ministry of Finance, Planning and Economic Development (MoFPED). Furthermore, a process to amend the MDI Act, 2003 is on-going.

d) Tier IV Institutions

These institutions are aimed at bridging the last financial miles for households, and includes Micro Finance Institutions (MFIs), Accumulating Savings and Credit Associations (ASCA), Rotating Savings and Credit Associations (RSCA), Village Savings & Loan Associations (VSLA), Savings and Credit Cooperatives (SACCOs), Non Deposit-Taking Microfinance Institutions, Self-Help Groups and Money Lenders. These remain some of the fast growing and dynamic components of Uganda's financial sector, given the large size of the unbanked population, with low incomes that would otherwise be excluded from the formal financial sector.

To enhance consumer and prudential safety in this segment of the financial system, the GoU passed the Tier IV and Money Lenders' Act of 2016, which among others created a regulator for the sector known as the Uganda Microfinance Regulatory Authority.

Uganda Microfinance Regulatory Authority (UMRA)

UMRA, now in its third year of operation, is yet to license and supervise SACCOs on account of the ungazetted SACCO regulations. However, since 2018, UMRA has licensed Money Lenders and Non Deposit-Taking Microfinance Institutions as shown in Table 4.3 below.

Table 4.3: UMRA Licensed Institutions

Year	2018	2019	2020
Number of Licensed Money Lending companies	190	611	691
Number of Licensed Non Deposit Taking MFIs	49	117	113
Total	**239**	**728**	**804**

*Source: UMRA, *As at March, 2020*

Over the years, UMRA has witnessed an increasing trend in the number of institutions that are brought into its regulatory ambit. By March 2020, institutions licensed by UMRA stood at 804, up from 239 in 2018. Licenses issued by UMRA are valid for 12 months of the calendar year. Prior to the onset of the COVID-19 pandemic lockdown, the authority had received a number of new applications, indicating a likely increase in the number of licenses expected to be issued in 2020.

During the year, UMRA undertook several multimedia public sensitizations regarding its work with the purpose of empowering borrowers to know the dangers of securing money from unlicensed money lending institutions, as well as unethical practices by lenders. Among the unethical practices being publicized was the acceptance of banned collateral, contrary to Regulation 18 of the Tier 4 Money Lending Regulations. Banned collateral includes automated teller machine (ATM) cards and their security codes, passports, national identification cards, warrant cards, and any instruments of transfer of property or assets, signed prior to the disbursement of the loan.

In April 2020, UMRA, in response to the anticipated effects of COVID-19 pandemic on loan repayments, issued credit management guidelines for Tier IV institutions to provide guidance on credit management and loan restructuring for the MFI sector and money lenders. The guidelines which were issued on April 1st, 2020, were to remain in force for up to 12 months. Among these were the provisions that all Tier IV microfinance institutions and money lenders would grant a moratorium for loan repayments to borrowers affected by the pandemic on a case by case basis. In addition, all restructuring as a result of the pandemic would not be treated as an adverse change in the credit risk profile of the client.

Association of Microfinance Institutions in Uganda (AMFIU)

AMFIU is a self-regulatory association of microfinance players. Its membership is largely voluntary and stood at 125 members by December 2019. AMFIU focuses on the unbanked and low income households, which according to Finscope account for about 28 percent of Uganda's population. Members of AMFIU use both social and financial models to reach their target group.

In 2019, data from MDIs and Tier IV MFIs reporting to the AMFIU, revealed that the sector had reached a total of 507,201 low income people, with total assets amounting to Shs. 1,321.11 billion and an outstanding loan portfolio of Shs. 875.39 billion. Most of the MFIs reported that they were constrained by limited sources of capital and high cost of funds which in turn affected the price of their services. Other challenges reported included low and volatile incomes, low literacy rates among customers, as well as inadequate infrastructure. AMFIU remains committed to supporting MFIs which embark on leveraging technological innovations like mobile banking as a delivery channel; however, the majority of the population especially in rural areas requires an attitude change to embrace digital financial services.

AMFIU continues to work with GoU and its agents to advocate for a favourable policy environment and network for both local and international microfinance actors.

e) Credit Reference Bureau

The Credit Reference Bureau (CRB) has continued to support credit growth through enhanced risk management in the financial sector, specifically through the reduction in information asymmetry between borrowers and lenders. Following its establishment, SFIs now have access to reliable information about borrowers' credit history and are therefore making better-informed lending decisions. This is expected to contribute to a reduction in the cost of credit in the country.

At March 31st, 2020, 34 SFIs accessed the CRB services, through 593 branches connected to the CRB infrastructure. The number of registered borrowers with financial cards stood at 1.86 million at end of March 2020 compared to 1.67 at end of March 2019, representing a 10.2 percent increase. Similarly, the number of credit inquiries made by SFIs to the CRB has grown by 9.0 percent to 1.11 million at end March 2020 from 1.02 million at end March 2019. Access to and use of the CRB infrastructure is expected to grow further following the amendment to the Financial Institutions Act, 2016, which provided for the expansion of the CRB services to other lenders outside BoU's supervisory purview, including SACCOs, credit only microfinance institutions, consumer lenders and utility companies. This expansion will provide full file reporting and comprehensive credit profiling of borrowers leading to improvement in the quality of credit.

During the year, the BoU in conjunction with the National Identification and Registration Authority, National Information Technology Authority, UBA, and Financial Sector Deepening Uganda embarked on the implementation of the Electron-Know-Your-Customer (e-KYC) Project. This project will ease some of the structural challenges that drive up the cost of financial services in the country, from information asymmetry to AML/CFT compliance issues. Under this arrangement, SFIs will have access to a platform for the remote and real-time authentication of the identity of financial services consumers thereby making the KYC checks easier, less risky, and less cumbersome. Also, reducing information asymmetry by leveraging technology will support the achievement of two key pillars of the National Financial Inclusion Strategy 2017 to 2022, aimed at reducing barriers to financial inclusion and access to financial services, and putting in place the digital infrastructure for efficiency. As of March 31st, 2020, the development works for the e-KYC project were in progress.

Notwithstanding the above, BoU has continued to address the following challenges faced in the credit reference market segment. The quality of data held on the CRB requires continuous cleanup. The BoU is working with SFIs to enhance its management information systems to reduce manual intervention and minimize errors. Some categories of financial services consumers do not have unique identification numbers, thereby posing challenges in the compilation and submission of their credit history. These include churches, schools, and Non-Government Organizations. Stakeholder engagements have been planned with the NGO Registration Board and URSB to jointly address the identification challenge. The submission of data on mobile loans offered by SFIs is impeded by the lack of a verification system for National Identification Numbers. This is being addressed through the e-KYC project under implementation.

f) Agricultural Insurance, Financing and Risk Management

Agriculture Insurance

The GoU established the Uganda Agriculture Insurance Scheme (UAIS) in FY2016/17, as a pilot whose objective is to cushion farmers from risks associated with losses arising from natural disasters; and also attracting financing to agriculture. Agricultural insurance encourages commercial banks to lend to the agriculture sector given that the risk associated with agriculture is mitigated through appropriate insurance cover, which thus improves access to agriculture loans.

The scheme provides insurance cover for crops and livestock, for both small and large-scale farmers. Under the scheme, the government provides premium subsidy funds, and in collaboration with industry players also undertakes publicity, sensitization, and training of farmers. The Insurance Regulatory Authority of Uganda (IRA) provides the regulatory oversight and quality control, and BoU, on the other hand, manages the drawdown on the UAIS Account, while the monitoring and evaluation of the scheme is done by the UAIS Technical Working Committee. The UAIS is implemented by the Agro Insurance Consortium (AIC).

By September 2019, total claims payout stood at Shs 5.5 billion, and utilization of the subsidy stood at Shs. 12.8 billion. Overall, by December 2019, the scheme had provided cover for 175, 000 farmers. Mostly covered were farmers who signed up for multi-crop insurance and crop weather index insurance.

The consortium currently consists of ten insurance companies offering agriculture insurance covering crop and livestock risks. The consortium offers the following specific products Multi-peril Crops, Livestock, Drought Index, Poultry, and Aquaculture Insurance. Discussions are underway to encourage embedding of insurance in the Agricultural Credit Facility, currently under the management of the BoU.

Agricultural Credit Facility (ACF)

Agriculture remains the pillar of the Ugandan economy and accounts for about 25 percent of GDP, 54 percent of Uganda's export earnings, and over 70 percent of the labour force (of which most are rural-based and engaged in subsistence forms). The agricultural sector has been prioritized in the National Development Plan as a growth opportunity that will spur Uganda's socio-economic transformation into middle-income status by 2040. The ACF was established in 2009 as a risk sharing Public-Private Partnership between the GoU and the Participating Financial Institutions (PFIs) that include commercial banks, MDIs, CIs, and the Uganda Development Bank Ltd (UDBL). It was established in light of the major challenges that the sector faced, key among which is the access to agricultural finance that is still very limited despite the recent expansion of digital financial services. Financial institutions in Uganda still hold perceptions of higher risk in agricultural financing exacerbated by factors such as sub-optimal policies in areas regarding the land tenure system, quality inputs, among others.

The key objective of the ACF is to bridge the financing gap by facilitating the provision of medium and long term financing to projects engaged in agriculture and agro-processing, at more concessionary terms than what is offered in the financial sector; with the end goal of commercialisation, modernisation and value addition of raw outputs in the agricultural eco-system.

The scheme operates as a refinance mechanism that enables PFIs to undertake due diligence on potential borrowers, disburse agricultural loans to eligible and viable projects and thereafter seek reimbursement from BoU; the fund administrator on behalf of GoU; according to the governing ACF Memorandum of Agreement (MoA) 2018.

The scheme has registered a significant growth in its loan book from Shs. 21.02 billion in 2009 to Shs. 455.24 billion in total disbursements at March 31st, 2020, extended to 741 eligible projects across the country; of which GoU contribution amounted to USHS 231.38 billion. Also, Shs. 61.56 billion had been committed for projects pending the fulfilment of disbursement conditions by the respective PFIs. The ACF financed the grain trade by providing working capital to address the drastic fall in grain prices especially maize following the bumper harvests, and long term finance for capital expenditure items such as post-harvest handling equipment and storage facilities. Total disbursement and commitments for the grain trade stood at Shs. 125.71 billion on March 31st, 2020.

The MoA operationalised the block allocation arrangement under the ACF, intending to unlock credit to the smallholder farmers who are unable to access funding due to the stringent loan requirements by the PFIs, particularly traditional collateral. Borrowers under this arrangement can access loans of up to Shs. 20 million using alternative collateral requirements such as chattel mortgage and cash flow basis financing. Disbursement under the block allocation amounted to Shs. 1.97 billion comprising of 130 eligible projects, of which GoU contribution amounted to Shs. 1.15 billion as refinance, by the quarter ending March 2020.
At the end of March 2020, a total of Shs.132.51 billion had been repaid to BoU. 14 projects with an outstanding GoU contribution totaling to Shs. 2.88 billion had been declared delinquent by the respective PFIs. This represents 1.24 percent NPLs of the total loans refinanced to the PFIs.

Given that the ACF is a revolving facility, the repayments were used to finance new applications for eligible projects. The cost of funds for the ACF loans remained steady at a maximum of 12 percent per annum (or 1 percent per month) and below during the period under review. Loan durations ranged between 6 months to 8 years, at most, while the grace period was up to 3 years per sub-loan to an eligible borrower.

The ACF had since its inception registered a considerable number of loan applications totaling 918, amounting to Shs. 897.68 billion by end March 2020. This was driven by the aggressive publicity funded by the MoFPED and the GIZ; in line with the marketing strategy intended to sensitize the public about the availability of the scheme funds and how farmers can access the ACF loans.

As at quarter ended March 2020, ACF had a pipeline of applications from PFIs amounting to Shs.126.54 billion. Considering the increasing demand for the cheaper ACF agricultural loans, BoU wrote to the MoFPED requesting further recapitalization of the scheme. Notwithstanding the capitalization status, the ACF maintained its prominence as a recognized distribution channel, well-positioned to supply medium to long term financing to agricultural value chains in the agricultural sector, at concessionary terms.

Enhancement in operational efficiency and the increasing absorption capacity attracted a rating of 85.9 percent for the ACF from the Budget Monitoring and Accountability Unit (BMAU) of the MoFPED in the FY 2018/19 Agricultural Sector Annual Budget Monitoring Report on GoU funded programmes.

g) Financial Inclusion and Mobile Money

During the year, the need to ensure all person's financial security by allowing for and growing access to and use of a broad range of quality and affordable financial services remained relevant. A 2018 Finscope study put Uganda's overall financial inclusion at 78 percent, with formal inclusion increasing to 58 percent from 54 percent registered five years earlier, largely driven by mobile money services.

In 2019, efforts to ensure effective implementation of the National Financial Inclusion Strategy (NFIS) 2017 to 2022 for Uganda remained on track. The BoU and MOFPED, through the work of the Inter-Institutional Committee on Financial Inclusion (IICFI) and working groups, implemented the following initiatives:

a. The establishment of a Security Interest in Movable Property Registry System (SIMPRS) by the Uganda Registration Services Bureau (URSB) following the enactment of Security Interest in Movable Property Act of 2019. The system allows micro, small and medium enterprises and individuals to use their movable assets as collateral for loans.
b. Continued support for the increased uptake and usage of agent banking services.
c. Finalized the development of the Strategy for Financial Literacy in Uganda (SFLIU) 2019-2024.

However, the COVID-19 pandemic has significantly impacted the implementation of the NFIS 2017 to 2022 to the degree that all stakeholder engagements that require physical contact have been deferred.

Mobile Money

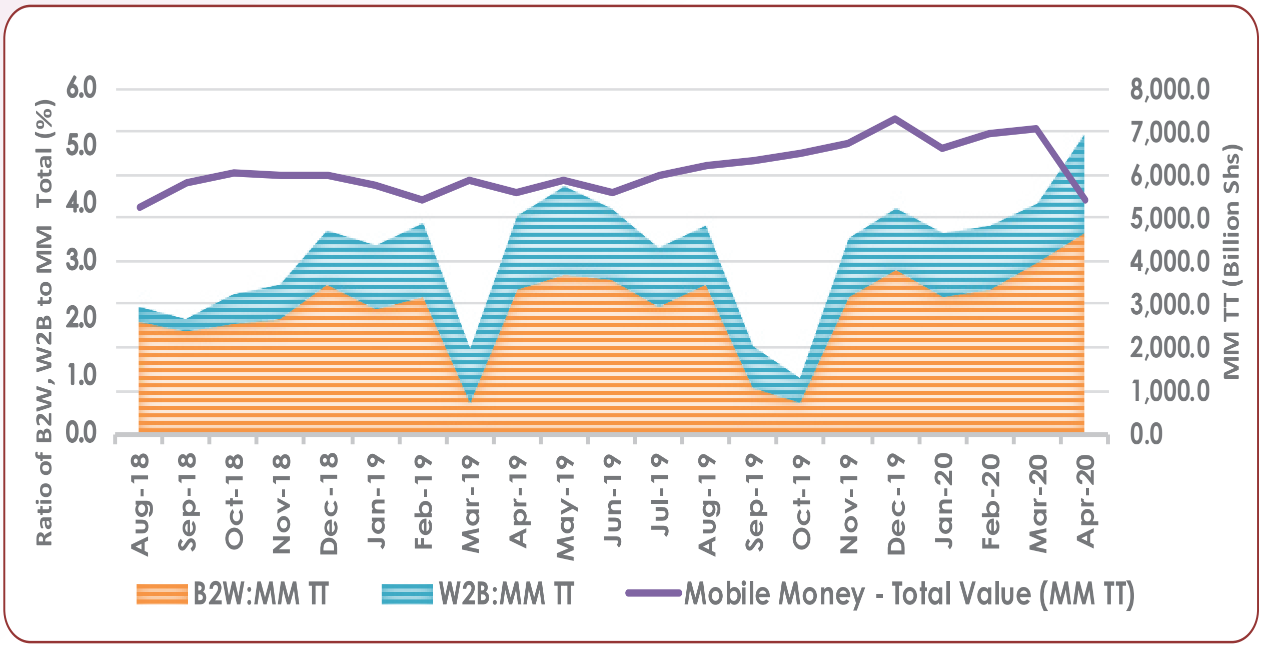
The year to April 2020 was a momentous one for financial innovations in Uganda, most specifically mobile money. With more than 27.98 million registered users as of end April 2020 and average monthly transaction totals of Shs. 6,519.01 billion, the adoption of mobile money is faster than ever before. 65 percent of all registered mobile money accounts remained active[95].

Banking business models have encouraged mobile money as it offers complementary services to users of traditional banking services. Through telephone (mobile) banking and internet banking, customers enjoy increased access to their accounts by exercising Bank to Wallet (B2W) or Wallet to Bank (W2B) provisions. Average monthly B2W transfers in the year to April 2020 stood at Shs. 148.26 billion, while W2B transfers stood at Shs. 66.23 billion; up from respective levels of Shs.101.89 billion and Shs. 41.17 billion over the same period in the previous year. This growth is representative of a shift towards digital payments for an array of services, both local and international remittances, school fees, loans, utilities, and savings.

Digital savings were rolled out in 2016 by key players in the market as a complementary service to mobile money, along with credit and insurance. Most important among these is savings, for which various non-bank intermediaries[96] in partnership with MTN Mobile Money and Airtel Money, have continued to enable their members to make deposits or repay their loans using their existing mobile money account.

[95] Used service over the past 90 days
[96] SACCOs, VSLAs et al

Figure 4.8: Mobile Money, B2W, W2B and Total Value of Transactions 2018-2020



Source: Bank of Uganda

During the year, policy discussions on mobile money centered on the National Payments Systems (NPS) Bill (*discussed later in the section on Legal and Regulatory Issues*) as well as the parliamentary inquiry into the treatment of funds in dormant mobile money accounts. These and related issues are being addressed by the ongoing tabling of the NPS Bill in Parliament. Also, there was increased public discussion on the emergence of cryptocurrencies and related products supported by block chain technology. The MoFPED and BOU affirmed the Government of Uganda (GoU)'s position that it did not recognize any cryptocurrency as legal tender in Uganda and neither had any organization been licensed to sell or facilitate the trade of the same. The public was advised to keep appraised of the risks associated with cryptocurrency and exercise caution before making transactions involving such products.

The COVID-19 pandemic and the ensuing national lockdown in March 2020, saw increased uptake of e-commerce and digital finance. In line with the requirements for social distancing to limit the spread of the disease, the BOU, together with Uganda Bankers' Association (UBA) and Mobile Money Service Providers (MMSPs) undertook initiatives to encourage the further use of digital payments, by waiving charges on P2P[97], B2W, and W2B transactions. The waiving of charges partly explains the increase in the use of these digital platforms in the latter part of the financial year. Furthermore, the restrictions on both public and private transport contributed to increased transfer of money from the urban to rural areas.

During April 2020, both Airtel and MTN provided some relief to the borrowers who subscribe to their mobile micro-credit solutions in a bid to manage the impact of the COVID-19 pandemic that was expected to have adverse effects on incomes and repayment abilities of their customers. Specifically, Airtel removed all penalty fees on customers who would fail to clear the outstanding *Wewole* loan on the agreed date, allowing them to pay at a later date. Likewise, MTN and its partner bank Commercial Bank for Africa deferred by 30 days, all sanctions for late loan payments and removed charges on moving value

[97] Person to Person

between the mobile money and *Mokash* wallets. These deferments would hold over the next three months.

Financial Literacy

During the year, BoU spearheaded the development of the second Strategy for Financial Literacy in Uganda (SFLIU) 2019 to 2024. The vision of the SFLIU is "Ugandans have the knowledge, skills, and confidence to manage money well"**.** This followed the successful implementation and review of the SFLIU 2013 to 2017, as well as benchmarking the best practice across the Alliance for Financial Inclusion (AFI) network countries.

The new strategy is synchronized with the NFIS 2017 to 2022 and the Financial Sector Development Strategy (2019-2024) and prioritizes women, youth, rural dwellers, employees, and special interest groups (children below 15 years, People with Disabilities, and forcibly displaced persons). The strategy also seeks to mainstream Digital Financial Literacy (DFL) in all priority groups given the increasing digitization of traditional financial products and services (delivery channel) and the creation of new electronic financial products. The emphasis on DFL is also in line with the BoU's Strategy 2017 to 2022 that focuses on the promotion of e-payments as one of its strategic initiatives. In collaboration with AFI, BoU will undertake the inaugural financial capability survey in FY 2020/21.

Financial Consumer Empowerment and Market Conduct

During the year, BoU undertook a needs assessment of its Financial Consumer Empowerment and Market Conduct (CE&MC) mechanism benchmarked against the objectives that a consumer protection regime must address. The needs assessment focused on six facets of consumer protection namely: (i) CE & MC Policy and Institutional Developments; (ii) financial capability; (iii) consumer redress and complaints handling; covering both those at the regulator and SFIs; iv) fraud, forgeries, and scams as key hindrances to financial inclusion; (v) bank charges and pricing; vi) sales and marketing practices of SFIs. The findings of the needs assessment will be used to enhance the design of policies and operational tactics for consumer protection and market conduct.

The Bank also undertook efforts aimed at building the regulator's capacity to undertake evidence-based financial consumer protection through strengthening data collection and analysis frameworks. Specifically, quantitative and qualitative data collection and analysis about complaints, information inquiries, as well as fraud, forgeries, and scams were undertaken.

The BoU operates a Financial Consumer Empowerment Mechanism (FCEM), an administrative unit, which serves to coordinate information, inquiries, complaints handling, and resolution. During FY 2019/20, FCEM continued to work closely with stakeholders from the private and public sectors to deliver consumer protection messages through multi-media channels. For example, during the year, a media campaign was spearheaded by the Association for Microfinance Institutions in Uganda (AMFIU) with financial support from the Centre for Financial Inclusion (CFI)'s SMART Campaign as well as technical capacity from players like BoU, Uganda Communications Commission, and the National Gaming Board Uganda, amongst others. The campaign focused on digital financial services and how financial consumers can protect themselves during the consumption of these electronic financial products.

h) Insurance Services

2019 saw the insurance sector transform with some regulatory changes that greatly contributed to the growth of the sector. The Insurance Regulatory Authority (IRA) of

Uganda continued to provide regulatory oversight in a bid to maintain a financially sound, vibrant, and trusted insurance sector. By May 2020, the IRA had licensed various players summarized in Table 4.4 below.

Table 4.4: Licensed Insurance Players

LICENSED PLAYERS	2015	2016	2017	2018	2019	2020*
Reinsurers	1	1	1	1	1	2
Non Life Insurers	21	20	19	21	21	21
Life Insurers	8	9	9	9	9	9
HMOs	10	6	6	5	5	5
Microinsurers	-	-	-	1	1	2
Insurance Brokers	30	35	34	35	35	39
Reinsurance Brokers	1	1	1	2	2	2
Loss Assessors/Adjusters/Surveyors	21	21	22	24	31	28
Insurance agents	1335	1,296	2,006	2,384	2,596	1,167
Bancassurance Agents	-	-	-	2	16	19

Source: Insurance Regulatory Authority, *As at May 2020

Overall, in 2019[98], the Gross Written Premium (GWP) income increased by 12.47 percent to Shs. 963 billion from Shs. 856 billion in 2018. Non-life business continued to dominate the insurance industry in terms of composition, although its relative share continued to decline. The share of the non-life business to total premium declined by 3 percentage points to 64 percent from 67 percent share in 2018. Both Life and Non-Life GWP income grew by 24 percent and 8.2 percent, respectively, to stand at Shs. 269.2 billion and Shs. 616.8 billion in 2019. Also, the GWP of Health Management Organizations (HMOs) stood at Shs. 76.2 billion by the end of the year, registering an annual growth of 10.4 percent. During 2019, the first Microinsurer which was licensed in 2018 underwrote Shs. 676.6 million from Shs. 24 million realised the previous year. This marked growth of 2,719 percent in this sub-sector alone. The overall industry performance is summarized in Table 4.5 below.

Table 4.5: Industry Summary Gross Written Premium Income

	2019	2018	Percentage Growth (percent)	Market Share 2019 (percent)
Non-Life GWP	616,783,741,803	569,964,791,018	8.21	64.05
Life GWP	269,233,463,939	217,119,961,880	24.00	27.96
HMO GWP	76,271,534,776	69,108,084,090	10.37	7.92
Microinsurer GWP	676,610,474	24,315,675	2719.16	0.07
Total GWP	**962,965,350,992**	**856,217,152,663**	**12.47**	**100.00**

Source: Insurance Regulatory Authority, *As at May 2020

Underwriting Performance

Non-life underwriting profits increased to approximately Shs. 25 billion from Shs. 19.4 billion recorded in 2018[99]. The improvement of about Shs. 6 billion in performance reflects the improved quality of underwriting, which is critical for a stable insurance sector.

98 Based on the 4th Quarter unaudited returns

99 The underwriting performance only covers non-life business. Due to the long term nature of life business, it is not feasible to calculate the underwriting profit/loss on a yearly basis

Net Claims Payouts

The insurers continued to deliver on their commitment to their promises of claims payment. The IRA ensured adherence to the claims guidelines to enhance the value of insurance to the policyholders and beneficiaries. In the year 2019, the net claims paid[100] for both life and Non-life insurance (including HMOs) increased by 14.5 percent to Shs. 268.47 billion from Shs. 234.5 billion in 2018.

Uganda Reinsurance (Re) Company Performance

At end December 2019, the premium income of Uganda Re increased by 50.7 percent to Shs. 50.5 billion from Shs. 33.5 billion recorded in 2018. In addition to Uganda Re, the IRA licensed a second reinsurance Company, Kenya Reinsurance Corporation. This will result in more premiums being retained within the country to the benefit of the entire economy.

Insurance Regulations

During the year, the IRA gave special attention to developing regulations for mobile insurance, micro insurance, licensing governance and market conduct, payment of premiums, insurance, reinsurance capital adequacy, and prudential requirements among others. The regulations focus on a broad range of enforcement tools but most importantly aim to further protect and safeguard the interests of all policyholders and stakeholders. This new regulatory regime shall continue into 2020 and beyond, and is expected to require highly flexible data models and actuarial professionals. Also, special attention will be paid to technological disruption, which has played an increasingly prominent role in almost every phase of insurance operations, marketing, and business strategies. This is complemented by the rise of Financial and Insurance Technology. To this end, the Insurance Regulatory Sandboxes Guidelines 2019 was developed to establish an insurance regulatory framework for FinTechs experimentation and innovation with technology and products.

The Insurance (Appeals Tribunal) Regulations, 2019 S.I No.48 was enacted and awaits being laid before Parliament. However, there is a delay in the establishment and ensuring the functionality of the Insurance Appeals Tribunal. The Auditor General raised concerns regarding the delay; however, efforts to fast-track its operationalization needs have been prioritized by the IRA.

Additionally, the IRA secured technical assistance from Development Partners and is currently working on the Oil & Gas and Takaful[101] Regulations. Currently, the Uganda Oil and Gas Co-Insurance Consortium Guidelines, 2019 were developed and are in force.

The above strategic initiatives combined aim at empowering the IRA to make improvements in its market supervision and enforcement functions, as well as increase its capacity to facilitate and promote the development of the insurance sector.

The IRA, with support from various partners, embarked on the process of developing draft Insurance Regulations that would enable the operationalization of the Insurance Act 2017. The following Regulations were concluded by First Parliamentary Counsel (FPC) and internal processes for clearance and gazetting by the Minister initiated: Reinsurance

[100] Net claims exclude the Re-insurance share in total claims
[101] Regulatory Framework for Islamic Insurance

Regulations; Licensing, Governance & Conduct Regulations; Mobile Insurance Regulations; and Index Insurance Contracts Regulations.

A set of regulations on intermediaries, micro Insurance, capital adequacy, and other prudential requirements, policyholder's compensation fund, and the payment of premiums is currently being attended to by the FPC. Additionally, the Mandatory Motor Vehicle Insurance draft bill and regulations thereunder have been forwarded to the MoFPED.

Clinical Trials Guidelines

In liaison with the National Drug Authority (NDA), the IRA developed and issued guidelines on clinical trials. This has seen an increase in clinical trial products and their uptake. It should be noted that clinical trial insurance is a requirement by NDA for any trials to be carried out.

Localization of Marine Cargo Insurance

In 2019, the IRA organized dialogues with industry stakeholders to discuss modalities of the implementation and localization of marine cargo insurance. A draft implementation strategy was developed, with the IRA and Uganda Revenue Authority (URA) as lead agencies in the operationalization of the compulsory marine cargo insurance. The strategy emphasizes that all importers should insure their marine cargo with locally licensed insurance companies in Uganda. As such, the IRA and URA have instituted a joint technical working group to implement the local marine cargo goods strategy as per Sec 9 (2) of the Insurance Act 2017, which mandates all intending importers of goods to use the insurance provided by locally registered insurance companies.

An e-portal system to facilitate seamless integration of the consumption of local marine insurance and the URA approvals has been developed and by May 2020 was due for end-to-end testing and ultimate live rollout. With effect from July 1st, 2020, it will be mandatory for all importers to purchase marine cargo insurance from local companies registered and licensed in Uganda to offer insurance services. The system will ensure increased efficiency, as the rates have been discounted and seamless access to compensations whenever they arise.

Digitization of Motor Third Party (MTP) payments

In a bid to overcome the challenges that have impacted MTP insurance including low compliance rates, forged stickers, undercutting, among others, the IRA set out to promote technology adoption which lies at the heart of all progressive business models. Working closely with the Uganda Insurers Association and URA, an electronic platform was developed and effectively launched on November 6, 2019.

While the use of alternative modes of operation was allowed during the transition period, with effect from July 1, 2020, all MTP transactions would be required to go through the on-line system via a USSD code on the phone. This is expected to improve the claims process and reduce fraud.

i) Retirement Benefits Sector

The Uganda Retirement Benefits Regulatory Authority (URBRA) was operationalized in 2013 and is mandated to supervise and regulate the establishment, management, and operation of retirement benefits schemes, and to protect the interests of members and beneficiaries of retirement benefits schemes in Uganda.

Over its six years of operation and in the implementation of its first Strategic Plan for the 2015-2020 period, the Authority has built confidence in the sector and facilitated many positive attributes. Sector coverage is currently at about 14 percent of the country's workforce compared to the 6 percent in 2014. Sector Assets under Management have grown to over USHS 14 trillion (11percent of GDP) compared to USHS 5.2 trillion in 2014, with over 74 percent (over USHS 10 trillion) held in Government Debt securities.

In line with section 33 of the URBRA Act, 2011, the Authority licensees service providers to ensure segregation of duties to mitigate operational and governance risks.
Table 4.6 below provides summary statistics of licensed schemes and service providers at December, 31, 2019.

Table 4.6: Licensed Schemes & Service Providers

Schemes	
National Mandatory Schemes	1
Mandatory Employer-based Schemes	1
Segregated Supplementary Voluntary Occupational Schemes	51
Umbrella Schemes	11 (138 participating employers)
Supplementary Voluntary Individual Schemes	2
Total Number of Schemes	**66**
Service Providers	
Administrators	11
Fund Managers	7
Custodians	5
Corporate Trustees	3
Individual Trustees	191

Source: URBRA

In pursuit of a vibrant, secure and sustainable Retirement Benefits Sector, the Authority's current focus is on:

i. Enhancing clarity around our regulatory, supervisory and enforcement processes
ii. Enhancing the Retirement Benefits Sector supervisory framework
iii. Automation of the Risk-Based Supervisory Approach
iv. Building capacity of Trustees and Service Providers
v. Promoting public awareness and education
vi. Increasing the number of Ugandans saving for retirement
vii. Promoting efficiency in scheme governance and administration

During the period under review, some proposals aimed at facilitating Sector development were made. These include the following:

i. Public Service Scheme (Amendment) Bill, 2019

Ministry of Public Service working together with the 1st Parliamentary Counsel finalized the draft Public Service Pension Fund Bill, 2019. The Bill seeks to address issues of affordability and long-term sustainability of the scheme given its current operation as an Unfunded Defined Benefit Scheme. The proposed Public Service Pension Scheme (Amendment) Bill once passed will make the scheme contributory where government and public servants make contributions, enable accumulation of assets which will facilitate timely payment of benefits. It is envisaged that the Public Service Pension Fund Scheme will be established in July 2021.

ii. NSSF (Amendment) Bill 2019

On August 13th, 2019, the NSSF (Amendment) Bill, 2019 was tabled before parliament. The Bill seeks to introduce changes to the NSSF Act, 1985. Stakeholder consultations on the Bill and its constituent sections are currently ongoing. Given its cross-cutting nature, the Bill is being handled by a joint Parliamentary Committee of Parliament with representation from both the Gender and Finance committees of Parliament. This Bill seeks to among others empower the Fund to expand coverage by making membership to the Fund mandatory for all formal sector employers, permit those employed in both the formal and informal sectors to make voluntary contributions to the Fund, provide for the introduction of new benefits, and improve governance.

iii. Reforms in Public Service Pension Management

Section 2 of the Pensions Act Cap 286 confers upon the Permanent Secretary, Ministry of Public Service, the responsibility of a Pension Authority. According to Section 24 of the same Act, the Pension Authority delegated some powers to manage retirement benefits to Responsible Officers in Ministries, Departments, and Agencies (MDAs) and Local Governments (LGs). Consequently, effective January 2019, the Ministry of Public Service fully decentralized Gratuity and Pension processing and management to respective MDAs and LGs.

iv. The national roll-out of the Senior Citizen's Grant

To facilitate the national roll-out of the program, new entrant qualification age is to be revised from the initial 65 years (and 60 years for Karamoja region) to at least 80 years. Already enrolled beneficiaries will however continue to benefit as the age revision is a precondition for new enrolments.

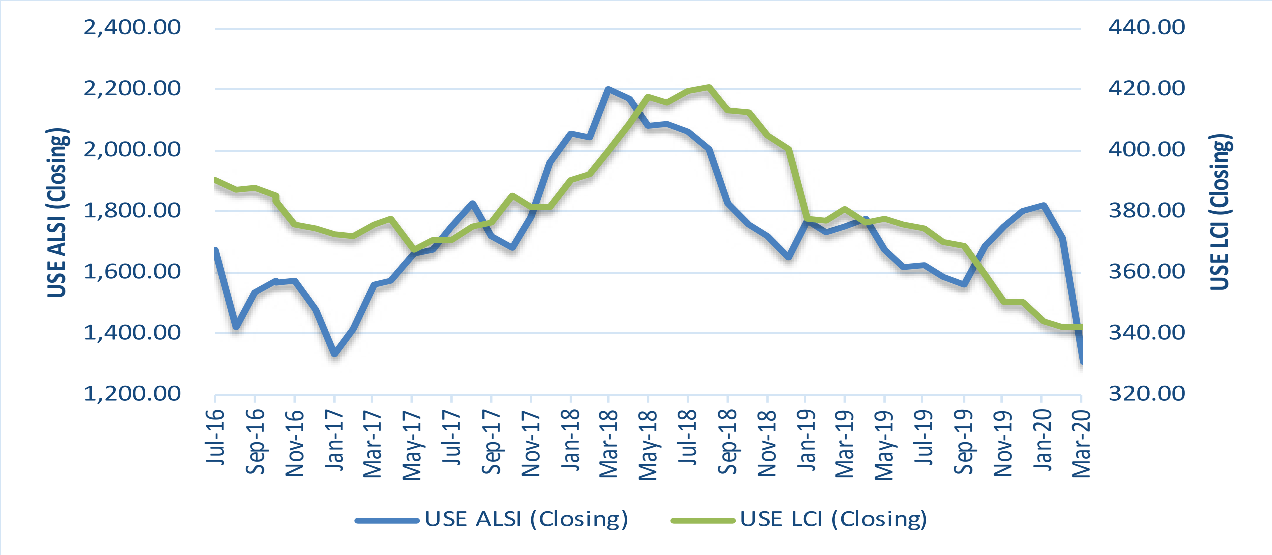
v. Extension of coverage to the self-employed and the informal sector

The immediate challenge facing the Retirement Benefits Sector in Uganda is coverage that will enable workers to have old age security. To increase coverage and mitigate old-age poverty, the Authority finalized the draft Strategy of Extending coverage self-employed persons and those in the informal sector. EAC principles to facilitate projects aimed at extending coverage amongst partner states were also finalized.

j) Capital Markets

In FY 2019/20, there were no primary issues recorded in the corporate bond and equity markets. However, secondary market trading of equities at the Uganda Securities Exchange (USE) improved compared to the previous period, despite headwinds experienced as a result of the COVID-19 pandemic.

Figure 4.9: Evolution of the USE All Share Index (ALSI) and Local Counter Index (LCI)



Source: Uganda Securities Exchange

Equity Markets

(i) Secondary Market Activity

Equity turnover increased over five times to Shs. 113.6 billion in the FY 2019/20 from Shs. 20.1 billion recorded in the financial year 2018/19. The average turnover per trading day grew to Shs. 609 million in FY 2019/20 from Shs. 105 million recorded in FY 2018/19, as did share volume, rising to Shs. 1,538 million from Shs. 315 million over the same period.

The increase in value traded and market activity was driven by improved activity on DFCU Bank, UMEME, and Stanbic Bank counters in the period before the COVID-19 pandemic. The high turnover on DFCU Bank was due to a shareholder exit which boosted the counter's traded value. CDC Group PLC (the UK government-owned investment agency) sold its 9.97 percent stake in DFCU Bank to the Danish-based Investment Fund for developing countries. The increased activity on the UMEME counter was due to among other things, the favorable modification of its tariff performance parameters for 2019 to 2025 by the Electricity Regulatory Authority. On the other hand, the high turnover on Stanbic Bank can be attributed to increased domestic and foreign institutional investor activity in the period preceding the COVID-19 pandemic.

Domestic market capitalization (representing the value of all locally listed companies) fell by 15 percent to Shs. 4.31 trillion from Shs. 5.07 trillion reported in the previous financial year due to a fall in share prices of all locally listed counters, except for British American Tobacco Uganda (BATU) Limited whose share price remained unchanged. The USE Local Counter Index that tracks share price movements of domestic counters closed 10 percent lower at 342.2 points from the previous close of 380.6 points. Overall, the total market capitalization fell by Shs. 4.44 trillion, standing at Shs. 18,214.9 billion by the end of March 2020, compared to the end of FY 2018/19. Table 4.7 and Figure 4.10 below, respectively, depict trends in market activity in the USE and the level of market capitalization in the domestic market at March 2020.

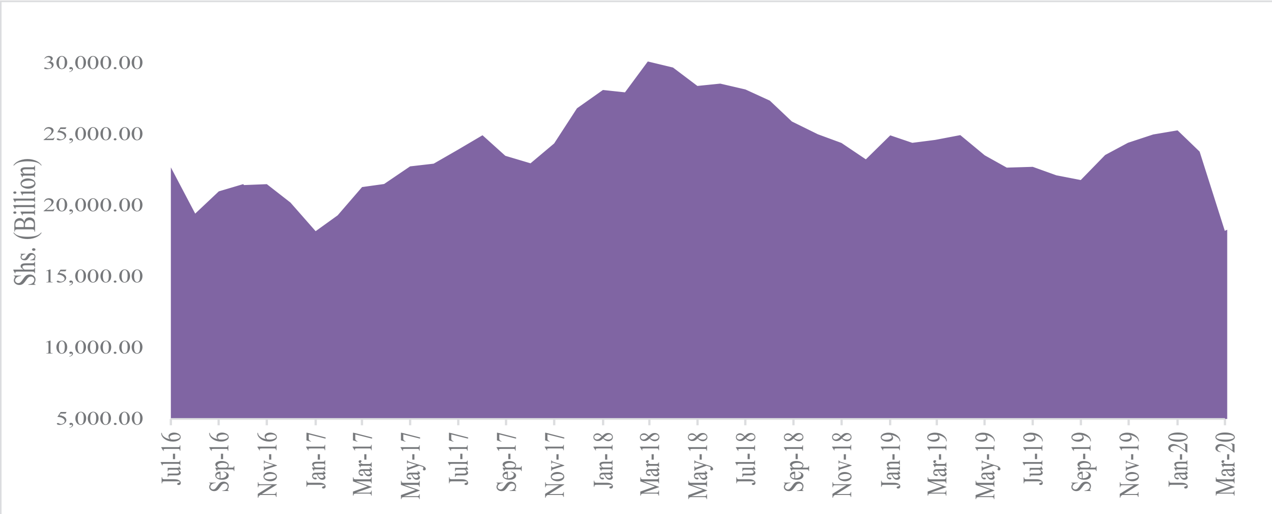
Going forward, market activity at the USE is likely to come under pressure from muted participation by domestic and off-shore investors due to the risk associated with the uncertainty generated by the COVID-19 pandemic, sentiments around the 2021 presidential election year, and geopolitical risks emanating from the ongoing trade wars.

Table 4.7: Trends in Market Activity at the USE (2017/18-2019/20)

	2019/20	2018/19	2017/18
Share Volume (Million)	1,538	315	822
Equity Turnover (Shs. Billion)	113.55	20.14	64.92
Average Turnover per trading day (Shs. Million)	609	105	358
Domestic Market Capitalization (Shs. Trillion)102	4.31	5.07	4.6
USE Local Counter Index103	342.21	380.63	395.02

Source: Uganda Securities Exchange

Figure 4.10: Level of Market Capitalization from FY 2016/17-FY 2019/20(at March 2020)



Source: Uganda Securities Exchange

ii) Regulatory Framework for Capital Markets

As part of the process of developing a facilitative regulatory framework that will drive issuance and innovation, the review of the following laws and regulations is underway: the Capital Markets Authority (CMA) Act; prospectus regulations; conduct of business regulations; licensing regulations; and stock exchange regulations. With the review of the aforementioned regulations, CMA expects to create a regulatory environment that is certain, friendly to innovation and cost-effective for investors, issuers, and market intermediaries. Additionally, CMA has embarked on the process of developing all regulations as required by the CMA Act. This is expected to be completed in FY 2020/21.

Licensed Market Intermediaries

During the period under review, there were no new license applications approved. However, the Authority received license renewal applications from different market intermediaries. Table 4.8 below shows a list of the different license categories and the number of approved licenses.

[102] End of March figures
[103] End of March figures

Table 4.8: Licensed Market Intermediaries as at end-March 2020

Category	Number of Licenses
Fund Managers	9
Stock Brokers	7
Investment Advisors	7
Unit Trust Managers	4
Trustees	1
Stock Exchanges	1
Securities Central Depository	1

Source: CMA Market Supervision Department

iii) Investor and Issuer Education Programs

CMA continued with its investor education program, which aims to create public awareness about capital markets to drive market activity. The program focuses mainly on groups that have an income to invest in capital markets (private organizations, investment clubs, Savings and Credit Cooperative Organisations, and religious non-profit organisations). During the year, a total of 7,435 individuals were reached through this program, bringing the total number of people reached since its inception in FY 2014/15 to 66,599.

The issuer resource person program continued to sensitize prospective issuers on matters regarding long term capital raising opportunities presented by non-bank market-based financing. A total of 28 resource persons drawn from fields such as law, accounting, development finance, capital markets, and banking are currently part of the program. Since the launch of the program in May 2018, a total of 37 companies have been reached.

iv) Capital Markets Development Master Plan

During the year, the CMA initiated a review process for the master plan to identify wins as well as areas for improvement in the implementation process. A revised version of the master plan is expected to be rolled out at the beginning of the FY 2020/21. The master plan, a comprehensive plan that seeks to chart the strategic positioning and future direction of Uganda's capital markets has been in place since 2017.

k) Legal and Regulatory Issues

There has been remarkable progress in the revision and passing of several financial sector legislations. During FY 2019/20, developments on the legislative process in the financial sector not mentioned earlier include:

i) The Bank of Uganda Bill, 2020, was yet to be approved by Cabinet before being tabled in Parliament.
ii) The National Payment Systems Bill, 2020, is being tabled in Parliament for debate.
iii) Significant progress on the Financial Institutions (Credit Reference Bureaus) Regulations, 2020 has been made. The regulations are now in the final stages of review before issuance of drafting instructions to First Parliamentary Counsel (FPC).
iv) The FPC is finalizing the drafting of the Foreign Exchange (Amendment) Bill, 2020 and the MDI (Amendment) Bill, 2020

The International Centre for Arbitration and Mediation in Kampala (ICAMEK), which was set up last year as collaboration between the BoU, UBA, Office of the Principal Judge and the Uganda Law Society, is a private sector-led initiative focused on delivering the benefits of alternative dispute resolution (mediation and arbitration) to economic entities. During the year, ICAMEK set up an office in Kampala and published the mediation and arbitration

rules. Also, it has commenced the invitation to Ugandans, to join its panels of mediation and /or arbitration.
Government undertook several financial sector reforms geared towards addressing the changing financial sector landscape, particularly with regard to aspects pertinent to supporting growth and development, enhancing household incomes and private sector development.

Despite the challenges encountered in FY 2019/20, the sector remained stable with steady growth realized over the medium term, before the emergence of the Covid 19 pandemic. The financial sector also continued to shift from the traditional brick and mortar to electronic modules like agent banking to meet the varying customer expectations and as a way of reducing the costs of operations. Starting in 2020/21 financial sector development will be guided by the Financial Sector Development Strategy (FSDS) 2020/2021-2024/2025.

The FSDS was developed through a consultative process spearheaded by the Ministry of Finance Planning and Economic Development (MoFPED), and is currently awaiting Cabinet approval. As the first comprehensive and holistic strategy, the FSDS aims to develop a robust financial sector that contributes to the realization of Uganda's growth and development aspirations, as outlined in its vision 2040. It sets out the following targets over the next five years:

i. **Financial Services for All.** Uganda has managed to remarkably increase formal financial inclusion to 58 percent in 2018 from 28 percent in 2009, and Government has, and continues to, design and implement promising reforms to foster financial sector development. The FSDS targets to increase the percentage of adults (men and women) using formal financial services to 80 percent by 2025, with 79 percent female inclusion, 89 percent inclusion of young adults, and 77 percent of formally included rural adults.

ii. **Financial Services for Markets.** Domestic market capitalization fell by 13.4 percent to Ushs 4.3 trillion from Ushs 4.96 trillion reported in the previous financial year. This was on account of a fall in share prices of all locally listed counters, except British American Tobacco Uganda Limited whose share price remained unchanged, which resulted in a domestic market capitalization of 3.4 percent to GDP at December 2019. The FSDS targets to achieve a stock market capitalization of 5.7 percent of GDP

iii. **Financial Services for Growth.** During FY19/20 the financial sector contribution towards the mobilization of formal savings to finance productive investment in form of private sector credit improved. From June to December 2019 deposits in these institutions increased from Ushs 21 trillion to Ushs 22.8 trillion (8.6 percent). In 2019, the pension sector assets under management have grown to over UShs 14 trillion (11 percent of GDP), compared to UShs 5.2 trillion in 2014, with over 74 percent (over UShs 10 trillion) held in Government Debt securities. Insurance Gross Written Premium (GWP) income increased by 12.7 percent to UShs 963 billion from UShs 856 billion in the calendar year. Further, in the first three quarters, lending to the private sector by Tier 1-3 institutions increased by 5.6 percent from Ushs 15.1 trillion at June 2018, up to Ushs 15.9 trillion. The FSDS aims to increase formal savings[104] to 53 percent of GDP and domestic credit to 27 percent of GDP by 2025.

The FSDS focuses on four strategic interventions, namely: 1) Increasing access to and use of finance; 2) Increasing access to long-term finance; 3) Strengthening innovation and supporting infrastructure; and 4) Strengthening financial stability and integrity.

Table 4.9: Status of FSDS Strategic Interventions

	December 2018	June 2019	December 2019	March 2020
Financial Services for all				
Formal financial inclusion		58 percent		(no new data available)
Financial Services for Markets				
Domestic Market Capitalization		Ushs 4.96 trillion	Ushs 4.4 trillion	Ushs 4.3 trillion
Financial services for Growth				
Deposits in Tier 1-3 institution		Ushs 21 trillion	Ushs 22.8 trillion (+8.6 percent)	
Retirement benefits sector assets	Ushs 11.6 trillion		USHS 14 trillion	
Life insurance sector assets				
Outstanding credit to the private sector by Tier 1-3 institution		Ushs 15.1 trillion	Ushs 15.92 trillion (+5.5 percent)	Ushs 15.95 trillion (+5.6 percent)
Increasing Access to and use of Financial Services				
Number of active mobile money accounts	14.6 million		16.6 million	
Lending rate in Tier 1-3 institution	20.15 percent	19.02 percent	18.83 percent	17.78percent
Lending to the agricultural sector (as a share of total lending)	Ushs 1.8 billion (13.4 percent)	Ushs 1.9 billion (12.1 percent)	Ushs 2.16 billion (13.6percent)	Ushs 2.12 billion (13.3 percent)
Farmers covered under the UAIS	35,000	64,050	120,556	175,000 farmers
Licensed MFSP	49 MFIs, 190 Money lenders		117 MFIs, 661 Money lenders	113 MFIs, 691 Money lenders
Increasing access to long-term finance				
Value of new private equity investments in local companies			Estimated at Ushs 107 billion in 15 companies	Estimated at 0.8 billion Ushs in 3 companies
CIs under management	Ushs 126.96 trillion		Ushs 270.36 billion	Ushs 316.62 billion
percent of working age population under retirement benefits arrangement	10.6 percent			(data not yet available)
Insurance Penetration	0.72 percent			0.76 percent
outstanding long-term loans at DFIs	Ushs 113.4 trillion (41.2 percent of total lending)			

Source: MoFPED

[104] Formal savings are defined as consumer deposits in Tier 1-4 institutions plus total life insurance assets plus total retirement benefit assets.

4.3 EXTERNAL SECTOR DEVELOPMENTS

4.3.1 Overall Balance of Payments

Uganda has experienced trade deficits in the last few years, which have largely been financed by other investments (particularly project aid loans) and Foreign Direct Investment (FDI) inflows in the financial account, as shown in Table 4.10 below.

Table 4.10: Balance of Payments Summary (Percentage of GDP)

Key Items	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
Exports	9.7	9.9	10.9	10.6	10.8	11.5
Imports	18.3	18.1	19.0	15.5	17.1	19.9
Current Account Balance	-7.3	-6.7	-5.5	-3.3	-5.6	-8.0
Current Account Balance (Excl. Grants)	-8.1	-7.4	-6.3	-3.8	-5.9	-8.4
Financial Account Balance	-6.2	-3.4	-5.0	-3.7	-3.4	-7.1
BOP Overall Balance	-1.4	1.3	-0.4	-1.4	0.5	-0.2

Source: Bank of Uganda

During the 12 months to March 2020, preliminary estimates indicate that the overall balance of payments position was a deficit of US$72.7 million, which was 31 percent lower than the deficit of US$104.6 million recorded in the 12 months to March 2019. This resulted in a drawdown of external reserve assets amounting to US$72.7 million, leading to a total external gross reserves position of US$3,275.5 million at end March 2020. The total reserves stock at end March 2020 was sufficient to cover 4.2 months of future imports of goods and services; a decline from US$3,429.9 million, equivalent to the 4.3 months imports cover recorded at end March 2019. Table 4.11 below summarizes the developments in Uganda's Balance of Payments.

Table 4.11: Balance of Payments Summary (US$ millions)

	BOP accounts	Outturn	Quarterly series				Preliminary outturn
		12 months to Mar 19	Apr-Jun 19	Jul-Sep 19	Oct-Dec 19	Preliminary Jan-Mar 20	12 months to Mar 20
A1.	Goods	-2,581.1	-877.5	-649.7	-645.8	-569.9	-2,742.9
	a) Exports	3,877.2	960.6	940.2	988.7	1,057.7	3,947.2
	b) Imports	6,458.3	1,838.2	1,589.9	1,634.6	1,627.5	6,690.1
A2.	Services	-654.2	-173.5	-182.1	-148.5	-417.7	-921.7
	a) Inflows	2,025.5	525.9	502.4	499.1	439.9	1,967.2
	b) Outflows	2,679.8	699.4	684.4	647.6	857.5	2,888.9
A3.	Primary income (Net)	-920.7	-217.5	-167.5	-137.4	-137.4	-659.8
	a) Inflows	50.5	15.7	11.3	18.9	6.1	51.9
	b) Outflows	971.2	233.1	178.8	156.3	143.5	711.7
A4.	Secondary income (Current Transfers) Net	1,637.6	451.3	474.1	551.5	432.4	1,909.3
	a) Inflows	1,848.7	493.4	523.4	650.1	468.2	2,135.0
	b) Outflows	211.1	42.0	49.3	98.7	35.8	225.8
B.	Capital account	89.5	25.9	11.8	32.6	16.2	86.4
	a) Inflows	89.5	25.9	11.8	32.6	16.2	86.4
	b) Outflows	0.0	0.0	0.0	0.0	0.0	0.0
C.	Financial account	-2,089.8	-606.6	-328.7	-234.2	-706.8	-1,876.2
	a) Direct investment	-1,136.0	-344.9	-288.0	-288.0	-268.5	-1,189.5
	b) Portfolio investment	127.6	60.9	72.2	115.7	47.9	296.7
	c) Financial derivatives	-3.3	-1.0	-1.0	-0.4	1.3	-1.0
	d) Other investment	-1,078.1	-321.6	-111.8	-61.5	-487.4	-982.3
	e) Errors & omissions	234.4	63.7	158.1	161.1	-3.1	379.8
D.	Overall balance (+ve deficit / -ve surplus)	104.6	121.0	26.6	-47.6	-27.3	72.7
E.	Reserve position (end period)	3,429.9	3,263.3	3,193.4	3,241.0	3,275.5	3,275.5

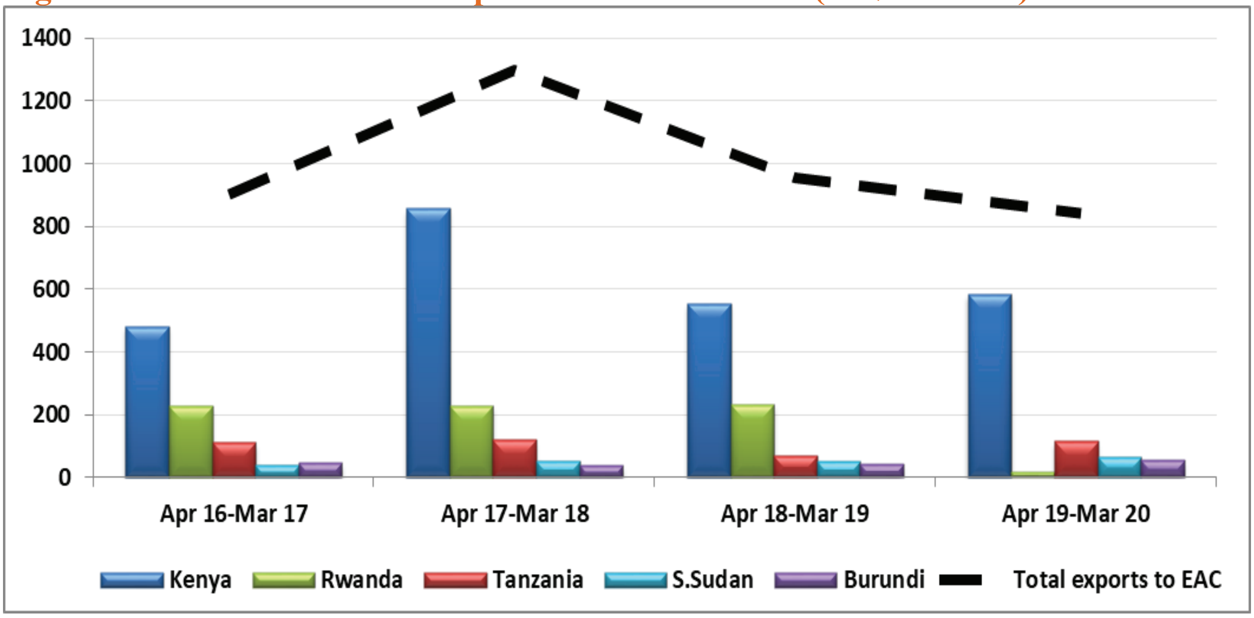
Source: Bank of Uganda

Exports

Export revenues increased by 1.8 percent to US$3,947.2 million in the year to March 2020 from US$3,877.2 million in the year to March 2019. The increase was supported by higher earnings from the export of gold, coffee, cotton, maize, and cocoa beans; albeit partially moderated by lower earnings from the export of tea, beans, base metals, cement, sugar, soap, and other pulses. The lower export earnings are partially attributed to the impact of the closure of the border between Rwanda and Uganda for a large part of the period under review, which resulted in a 95.8 percent (US$190.7 million) decrease in export revenue from Rwanda during the year to March 2020, compared to the same period in the preceding year.

Coffee export receipts during the 12 months to March 2020 increased by 12.3 percent to US$473.3 million, compared to the previous 12-month period at US$421.4 million as shown in fig. 4.11**.** The increase was on account of the higher volume of coffee exported, although partly moderated by lower coffee prices on the global market. The volume of coffee exported increased to 4.9 million (60 kilogram) bags during the year to March 2020, from 4.1 million (60 kilogram) bags exported over the 12 months to March 2019. The pickup in volumes of coffee exported is largely attributed to good weather, relative to a partial drought in the previous year. The average price of coffee is estimated to have declined by 5.6 percent to US$1.61 per kilogram over the 12 months to March 2020, from US$1.71 per kilogram over the same period to March 2019. The decline in global coffee prices was in part due to higher than usual supply in some of the world's major coffee-producing nations, particularly, Brazil.

Figure 4.11: Annual trend of exports destined to EAC (US$ Millions)



Source: Bank of Uganda

Informal Exports

Informal exports amounted to US$558.5 million in the 12 months to March 2020, compared to US$516.0 million in the 12 months to March 2019, an increase of 8.2 percent. This increase is largely attributed to higher exports to Kenya and Tanzania over the 12 months to March 2020. Informal exports accounted for 12.9 percent of total export earnings.

Table 4.12: Exports of Goods (US$ millions)

Key items	12 months to Mar 19	Quarterly				12 months to Mar 20
		Apr-Jun 19	Jul-Sep 19	Oct-Dec 19	Jan-Mar 20	
Total Exports	**3,877.2**	**960.6**	**940.2**	**988.7**	**1,057.7**	**3,947.2**
Total Formal Exports	**3,361.2**	**834.4**	**810.3**	**839.2**	**904.8**	**3,388.7**
1. Coffee (Value)	**421.4**	**95.3**	**126.3**	**111.0**	**140.8**	**473.3**
Volume ('000 60-Kg bags)	4.1	1.0	1.3	1.1	1.4	4.9
Av. unit value	1.7	1.6	1.6	1.6	1.7	1.6
2. Non-Coffee formal exports	**2,939.8**	**739.1**	**684.0**	**728.2**	**764.0**	**2,915.4**
Electricity	35.8	16.9	8.9	6.5	4.7	37.0
Gold	924.0	249.0	257.9	257.6	254.8	1,019.3
Cotton	39.5	22.7	7.6	14.3	18.0	62.6
Tea	94.1	21.6	15.0	18.7	17.7	73.0
Tobacco	77.1	11.6	21.6	24.2	9.1	66.5
Fish & its prod. (excl. regional)	189.6	41.1	38.6	43.8	37.0	160.5
Hides & skins	37.1	5.8	4.0	3.8	2.9	16.5
Simsim	28.4	3.6	6.9	6.4	16.5	33.4
Maize	77.1	12.5	28.9	22.6	33.8	97.8
Beans	62.7	6.4	7.4	12.5	8.0	34.3
Flowers	59.3	16.1	13.1	10.6	13.0	52.8
Oil re-exports	133.0	31.4	33.7	35.4	31.1	131.5
Cobalt	0.0	0.0	0.0	0.0	0.0	0.0
Others	1,182.0	300.5	240.3	271.8	317.5	1,130.0
3. ICBT Exports	**516.0**	**126.2**	**129.9**	**149.5**	**152.9**	**558.5**

Source: Bank of Uganda

Imports

The total value of goods imported increased by 3.6 percent (US$231.9 million) to US$6,690.1 million during the year to March 2020, from US$6,458.3 million in the year to March 2019, largely driven by higher private sector imports. Private sector imports (including gold) increased by US$197.0 million during the 12 months to March 2020. Non-oil imports increased by US$241.9 million in the period under review, reflecting increased importation of gold and an overall increase in domestic demand. In contrast, oil imports declined during the year under review, in response to the moderate decrease in global crude oil prices.

Government imports recorded an increase of US$28.3 million to US$583.7 million in the 12 months to March 2020, driven by higher non-project imports, specifically the purchase of airplanes in support of the services sector. Project imports, on the other hand, decreased by US$52.6 million during the same period. Details are presented in Table 4.13 below.

Table 4.13: Imports of Merchandise (US$ millions)

Key Items	12 months to Mar 19	Quarterly				12 months to Mar 20
		Apr-Jun 19	Jul-Sep 19	Oct-Dec 19	Jan-Mar 20	
Total Imports (fob)	**6,458.3**	**1,838.2**	**1,589.9**	**1,634.6**	**1,627.5**	**6,690.1**
Government Imports	**555.4**	**299.9**	**92.7**	**102.0**	**89.1**	**583.7**
Project	552.1	230.6	92.7	99.9	76.3	499.5
Non-Project	3.3	69.3	0.0	2.1	12.8	84.2
Private Sector Imports	**5,902.9**	**1,538.3**	**1,497.1**	**1,532.6**	**1,538.4**	**6,106.5**
Formal Private Sector Imports	5,767.5	1,525.0	1,483.7	1,515.3	1,520.5	6,044.6
Oil imports	1,008.3	250.6	231.8	247.5	240.1	970.0
Non-oil imports	4,759.2	1,274.4	1,252.0	1,267.8	1,280.4	5,074.6
Estimated Private Sector Imports	135.4	13.3	13.4	17.3	17.9	61.9

Source: Bank of Uganda

Services Account

The deficit on the services account widened by 40.9 percent to a deficit of US$921.7 in the year to March 2020, from US$654.2 million recorded in the year ending March 2019. The widening was primarily due to increased payments for other business services, specifically technical services for public infrastructural projects, to non-residents during the period under review.

Primary Income Account

The deficit on the primary income account improved by 28.3 percent to US$659.7 million from US$920.7 million recorded in the preceding 12 months, mainly due to decreased investment income payments to non-residents.

Secondary Income (Current Transfers)

The secondary income account recorded a net surplus of US$1,909.3 million over the year to March 2020, which was 16.6 percent higher than the US$1,637.6 million recorded in the same period in 2019. This was largely on account of higher personal transfers (remittances) and NGO inflows, which rose by US$138.0 million and US$113.6 million, respectively, to US$1,455.8 million and US$523.0 million, in the year to March 2020.

4.3.2 Capital and Financial Accounts

Inflows to the capital account remained within previously observed levels, recording a decrease to US$86.4 million in the year to March 2020 from US$89.5 million during the year to March 2019.

The Financial account continued to be the main source of financing of the deficit in the current account. The Financial account recorded a surplus of US$1,876.2 million, US$213.6 million lower than the surplus of US$2,089.9 million in the 12 months to March 2019. Capital inflows were recorded through a US$53.6 million increase in FDI, in combination with a US$341.8 million increase in loan disbursements to the government sector during the year under review, relative to the previous year. However, the inflows were negated by a US$169.1 million increase in capital outflows through portfolio investment, coupled with a US$385.3 million build-up of deposits abroad by the banking sector. The private sector increased participation in regional equity and debt security markets, reflected by US$29.3 million and US$108.3 million increase in holdings of both equity and debt security assets, respectively.

4.4 FISCAL SECTOR DEVELOPMENTS

4.4.1 Overall Fiscal Strategy for FY2019/20

Government's medium-term budget theme is 'Industrialization for Job Creation and Shared Prosperity'. Therefore, the FY2019/20 Budget Strategy sought to consolidate and enhance interventions that were implemented over the years of the NDPII. The strategic focus therefore remained on achieving Industrialization based on agriculture and mineral potential to ensure inclusive growth and the creation of jobs, while promoting development of other key primary growth sectors such as tourism. To support this strategy, Government committed itself to implementing the Domestic Revenue Mobilization Strategy in a bid to increase the share of the budget that is financed by domestic resources.

However the economic and financial impact of the Coronavirus pandemic outbreak continues to be felt globally and domestically leading to a multi-layered crisis comprising a health shock, domestic economic disruptions, revenue shortfalls, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

The fiscal situation has therefore been affected by a shortfall in tax revenue due to the impact of a fall in domestic demand and imports (international trade taxes account for 40 percent of tax revenues). The need for significant budget resources to address critical spending, including health spending and increased social assistance to the most vulnerable, to help contain, manage, and handle the pandemic while mitigating its negative financial consequences.

The fiscal deficit for FY2019/20 is projected at 7.5 percent of GDP, 2.6 percentage points higher than the deficit recorded in FY2018/19. Table 4.14 provides a summary of key selected fiscal indicators for the last six years.

Table 4.14: Selected indicators of Central Government Operations (FY2014/15-20019/20

Description	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19	Budget(x) 2019/20	Budget(xx) 2019/20	Proj. Outturn 2019/20
Revenue & Grants / GDP	12.2%	12.7%	12.9%	12.7%	13.6%	18.5%	16.0%	13.4%
Domestic Revenue incl Oil / GDP	11.2%	11.6%	12.0%	12.1%	12.7%	17.0%	14.7%	12.7%
Domestic Revenue / GDP	11.0%	11.4%	11.9%	12.1%	12.7%	16.8%	14.6%	12.7%
Tax revenue incl Oil / GDP	10.8%	11.1%	11.5%	11.7%	12.3%	15.5%	13.4%	11.6%
Tax revenue / GDP	10.6%	11.0%	11.4%	11.7%	12.3%	15.3%	13.3%	11.6%
Total Expenditure (excl domestic arrears repayments) / GDP	15.6%	16.7%	16.0%	16.6%	18.2%	26.8%	23.2%	20.5%
Total Expenditure (incl domestic arrears repayments) / GDP	15.9%	16.8%	16.1%	16.8%	18.5%	27.2%	23.6%	20.8%
Gross Operating Balance / GDP	1.6%	1.2%	1.8%	1.1%	0.9%	2.8%	2.4%	-0.2%
Domestic Balance / GDP	-2.4%	-2.6%	-1.5%	-1.8%	-2.3%	-2.5%	-2.2%	-4.8%
Primary Balance / GDP	-2.3%	-2.4%	-1.1%	-2.2%	-3.0%	-6.1%	-5.3%	-4.8%
Budget Deficit (excl Grants) / GDP	-4.7%	-5.3%	-4.2%	-4.7%	-5.8%	-10.2%	-8.9%	-8.1%
Budget Deficit (incl Grants) / GDP	-3.7%	-4.1%	-3.3%	-4.1%	-4.9%	-8.7%	-7.5%	-7.5%
Domestic Financing (net) / GDP (-borrowing/+ saving)	-2.7%	-1.9%	-0.6%	-1.1%	-1.9%	-2.5%	-2.2%	-2.6%
o/w Bank Financing (-borrowing/+ saving)	-1.4%	-0.9%	0.3%	-0.2%	-1.0%	-1.5%	-1.3%	-1.7%
o/w Non-Bank Financing (-borrowing/+ saving)	-1.3%	-1.0%	-0.8%	-0.9%	-0.9%	-1.1%	-0.9%	-0.9%
Foreign Disbursements (grants and loans) / Total Budget (incl domestic arrears	14.7%	23.7%	22.6%	25.1%	25.1%	30.5%	35.1%	28.9%
Foreign Disbursements (grants and loans) / GDP	2.3%	4.0%	3.6%	4.2%	4.6%	8.3%	7.2%	6.0%
External Borrowing (net) (disbursements less armotization) / GDP	-1.0%	-2.5%	-2.4%	-2.9%	-2.8%	-6.1%	-5.3%	-4.9%
External Borrowing Disbursements / GDP	-1.3%	-2.8%	-2.8%	-3.6%	-3.7%	-6.7%	-5.8%	-5.4%
Ratio of external borrowing disbursements to budget deficit (incl grants and Oi	35.3%	69.0%	84.3%	87.5%	75.9%	77.7%	79.4%	72.1%
Ratio of external borrowing disbursements to budget deficit (excl grants and Oi	27.6%	53.8%	66.4%	75.6%	63.9%	65.9%	73.2%	66.5%
Total public debt / GDP	26.3%	28.8%	31.2%	34.7%	35.4%	46.1%	40.9%	41.6%
o/w Domestic debt / GDP	10.3%	10.9%	10.7%	11.2%	11.8%	14.8%	13.1%	28.0%
o/w External debt / GDP	16.0%	17.9%	20.5%	23.6%	23.5%	31.4%	27.8%	13.6%
Memorandum Items								
GDP at Current Market Prices (Ush.s Billion)	*90,663*	*99,540*	*108,051*	*119,964*	*131,008*	*121,771*	*140,512*	*138,283*

Note:

x- Numbers are based on GDP at current Market prices before rebasing

xx - Numbers are based on GDP at current Market prices after rebasing

Source: Ministry of Finance, Planning and Economic Development

4.4.2 Central Government Fiscal Operations in the FY2019/20

The overall net domestic revenue target for FY 2019/20 was Shs 20,448.73 billion, broken down into tax revenue of Shs 18,877.30 billion and Non tax revenue of Shs. 1,571.43 billion, of which AIA is Shs 832.06 billion.

Tax and Non-Tax Revenue

However, Tax and Non tax revenues for the period July 2019 to March 2020 amounted to Shs. 13,415.37 billion against a target of Shs 14,837.10 billion representing a shortfall of Shs. 1,421.73 billion. This was on account of delays in implementation of tax administration measures and a slowdown in the economy as the government instituted a partial lockdown to curb the spread of the corona virus disease.

Therefore Tax and non-tax revenue projections for the Financial Year 2019/20 have been revised downwards from Ushs 20,448.73 billion to Ushs.17,589.8 billion resulting into a shortfall of Ushs 2,858.9 billion.

Grants

Projected grants have also been revised downwards from 1.4 percent of GDP to 0.6 percent. This performance is mainly driven by project grants which are projected to perform at only 46 percent of the approved budget of Shs.1,799.4 billion. Compared to FY2018/19, project support grants are projected to grow by 37.5 percent.

Expenditure

Total expenditure was estimated at Shs. 33,110.8 Billion (or 23.6 percent of GDP) at budget. This has been revised downwards to Shs. 28,809.5 Billion (or 20.8 percent of GDP). This revision has mainly been driven by lower disbursements for externally financed projects which are projected to register a performance of only 45 percent of the approved budget. Compared to the previous FY, the projected expenditure represents a growth of 18.7 percent down from 36.4 percent growth projected at budget time.

Interest payments were revised upwards from Shs. 3,145 Billion at budget time to Shs. 3,651 Billion to cater for commitment fees charged on the new budget support loans contracted within FY 2019/20. Compared to FY2018/19, interest payments are projected to grow by 44 percent on account of domestic debt obligations.

Foreign disbursements are projected at 6.0 percent of GDP or Shs.7,460.7 billion by the end of FY2019/20 compared to 7.2 percent (Shs. 8,208.8 billion) at Budget time. This is partly because of the slow execution and a halt in project activities amid the nationwide lockdown. However, in nominal terms, external budget support disbursements by the end of FY2019/20 are projected to be Shs. 3,818 Billion compared to Shs.675 Billion as at budget to cover the increase in the net operating balance arising from the shortfalls in revenue projected.

Table 4.15 gives the detailed fiscal operations in the format in which the budget was presented to Parliament and to the public, while Table 4.16 gives the same set of data presented in the Government Finance Statistics 2001/14 format that facilitates international comparison

Table 4.15: Central Government Fiscal Operations for the Period 2014/15-2019/20.(Ushs Billions, Unless Otherwise Stated)

Description	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outurn 2018/19	Budget 2019/20	Proj. Outturn 2019/20	Deviation	Performance	Y/Y growth
Revenues and Grants	**11,044.8**	**12,647.2**	**13,896.5**	**15,281.1**	**17,839.3**	**22,546.4**	**18,468.8**	(4,077.6)	81.9%	3.5%
Revenues	**10,114.0**	**11,500.0**	**12,946.8**	**14,506.9**	**16,637.8**	**20,646.5**	**17,589.8**	(3,056.7)	85.2%	5.7%
URA	9,772.9	11,059.1	12,463.4	14,076.1	16,163.0	18,877.3	16,073.4	(2,803.9)	85.1%	-0.6%
Non-URA	221.5	319.4	353.6	430.9	474.8	1,571.4	1,516.4	(55.1)	96.5%	219.4%
Oil Revenues	119.6	121.4	129.8	-	-	197.7		(197.7)	0.0%	-
Grants	**930.8**	**1,147.2**	**949.7**	**774.2**	**1,201.6**	**1,899.9**	**879.0**	(1,020.9)	46.3%	-26.8%
Budget Support	258.2	339.7	259.3	154.5	594.9	100.6	45.0	(55.6)	44.7%	-92.4%
Project Support	672.7	807.5	690.5	619.7	606.7	1,799.4	834.0	(965.3)	46.4%	37.5%
Expenditure and net Lending	**14,378.7**	**16,726.9**	**17,437.5**	**20,201.6**	**24,267.6**	**33,110.8**	**28,809.5**	(4,301.4)	87.0%	18.7%
Current Expenditures	**7,689.3**	**9,168.6**	**9,994.3**	**10,934.2**	**12,373.6**	**15,127.4**	**15,635.3**	507.9	103.4%	26.4%
Wages and Salaries	2,759.5	2,966.4	3,382.0	3,481.4	4,213.3	4,674.9	4,871.2	196.3	104.2%	15.6%
Interest Payments	1,213.0	1,681.8	2,360.2	2,260.5	2,525.3	3,145.1	3,651.8	506.7	116.1%	44.6%
Domestic	1,076.8	1,469.7	1,954.0	1,936.4	2,005.7	2,624.0	2,965.0	341.0	113.0%	47.8%
External	136.1	212.1	406.2	324.1	519.5	521.1	686.8	165.7	131.8%	32.2%
Other Recurr. Expenditures/1	3,716.8	4,520.5	4,252.1	5,192.3	5,635.0	7,307.4	7,112.3	(195.2)	97.3%	26.2%
Development Expenditures	**5,229.5**	**5,906.8**	**6,718.1**	**7,566.1**	**10,047.1**	**16,740.8**	**11,360.7**	(5,380.1)	67.9%	13.1%
Domestic Development/2	3,296.5	3,522.8	4,241.0	4,297.9	5,898.6	7,870.3	7,402.0	(468.3)	94.1%	25.5%
External Development	1,933.0	2,384.0	2,477.1	3,268.2	4,148.5	8,870.6	3,958.7	(4,911.8)	44.6%	-4.6%
Net Lending/Repayments	**1,235.2**	**1,532.5**	**541.0**	**1,396.5**	**1,428.1**	**793.0**	**1,355.4**	562.3	170.9%	-5.1%
Domestic Arrears and others	**224.7**	**118.9**	**184.0**	**304.9**	**418.8**	**449.5**	**458.0**	8.5	101.9%	9.4%
Domestic Balance	**(2,195.5)**	**(2,630.8)**	**(1,607.3)**	**(2,102.4)**	**(2,961.7)**	**(3,072.7)**	**(6,574.1)**	(3,501.4)	214.0%	122.0%
Primary Balance	**(2,120.9)**	**(2,397.9)**	**(1,180.7)**	**(2,660.0)**	**(3,902.9)**	**(7,419.3)**	**(6,688.8)**	730.5	90.2%	71.4%
Overall Fiscal Bal. (excl. Grants)	**(4,264.7)**	**(5,226.9)**	**(4,490.7)**	**(5,694.7)**	**(7,629.8)**	**(12,464.3)**	**(11,219.7)**	1,244.7	90.0%	47.1%
Overall Fiscal Bal. (incl. Grants)	**(3,333.9)**	**(4,079.7)**	**(3,540.9)**	**(4,920.5)**	**(6,428.2)**	**(10,564.4)**	**(10,340.6)**	223.8	97.9%	60.9%
Financing:	**3,333.9**	**4,079.7**	**3,540.9**	**4,920.5**	**6,428.2**	**10,564.4**	**10,340.6**	(223.8)	97.9%	60.9%
External Financing (Net)	**919.0**	**2,494.0**	**2,608.6**	**3,493.2**	**3,680.3**	**7,485.5**	**6,723.4**	(762.1)	89.8%	82.7%
Deposits	-	-	-	-	-	-		-	-	-
Disbursements	1,177.1	2,813.5	2,983.4	4,306.3	4,878.4	8,208.8	7,460.7	(748.1)	90.9%	52.9%
Budget Support Loans	-	-	572.9	141.1	188.3	574.6	3,773.0	3,198.4	656.6%	1903.9%
Project Loans	1,177.1	2,813.5	2,410.5	4,165.2	4,690.1	7,634.2	3,687.7	(3,946.5)	48.3%	-21.4%
Armotization	(258.2)	(319.5)	(374.8)	(813.1)	(1,198.1)	(723.3)	(737.3)	(14.0)	101.9%	-38.5%
Domestic Financing (Net)	**2,483.4**	**1,898.8**	**603.1**	**1,359.6**	**2,464.5**	**3,078.9**	**3,617.2**	538.3	117.5%	46.8%
Bank Financing (Net)	1,288.1	923.0	(297.4)	260.3	1,256.3	1,794.0	2,358.0	564.0	131.4%	87.7%
Non-bank Financing (Net)	1,195.2	975.8	900.5	1,099.2	1,208.2	1,284.9	1,259.2	(25.7)	98.0%	4.2%
Errors and Omissions	**(68.5)**	**(313.1)**	**329.2**	**67.8**	**283.4**	**-**	**(0)**			

Source: Ministry of Finance, Planning and Economic Development

Table 4.16: Central Government Budgetary Operations based of the 2001 GFS Format

Description	Outturn 2007/08	Outturn 2008/09	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outurn 2018/19	Budget 2019/20	Proj. Outturn 2019/20	Deviation	Performance	Y/Y growth
Revenue	**3,985.4**	**4,671.4**	**11,164.4**	**12,768.6**	**14,026.3**	**15,281.1**	**17,839.3**	**22,546.4**	**18,468.8**	**- 4,078**	**81.9%**	**4%**
Taxes	3,161.1	3,662.3	9,892.5	11,180.6	12,593.2	14,076.1	16,163.0	18,877.3	16,073.4	**- 2,804**	**85.1%**	**-1%**
Grants	738.6	884.8	930.8	1,147.2	949.7	774.2	1,201.6	1,899.9	879.0	**- 1,021**	**46.3%**	**-27%**
Budget Support	475.2	530.9	258.2	339.7	259.3	154.5	594.9	100.6	45.0	**- 56**	**44.7%**	**-92%**
Project Support	263.4	354.0	672.7	807.5	690.5	619.7	606.7	1,799.4	834.0	**- 965**	**46.4%**	**37%**
Oil Revenues			119.6	121.4	129.8	-	-	197.7	-			
Other revenue	85.7	124.3	221.5	319.4	353.6	430.9	474.8	1,571.4	1,516.4	**- 55**	**96.5%**	**219%**
Expenses	**3,761.9**	**4,173.6**	**9,698.4**	**11,567.4**	**12,133.3**	**14,003.7**	**16,645.7**	**19,139.8**	**18,752.3**	**- 388**	**98.0%**	**13%**
Compensation of employees	472.8	589.9	1,762.9	1,970.2	2,150.9	2,412.3	2,788.2	3,536.9	3,363.6	**- 173**	**95.1%**	**21%**
Wages and salaries/1	418.8	464.2	1,176.8	1,263.9	1,385.9	1,379.1	1,721.9	1,886.2	1,886.2	**-**	**100.0%**	**10%**
Allowances/1	44.8	95.1	459.5	537.4	562.6	625.3	630.6	1,206.0	1,073.7	**- 132**	**89.0%**	**70%**
Other employee costs/1	9.1	30.6	126.6	168.9	202.4	407.9	435.6	444.7	403.7	**- 41**	**90.8%**	**-7%**
Use of goods and services/1	1,050.4	1,302.2	2,505.5	3,396.7	2,560.2	3,575.9	4,667.2	4,811.2	4,664.8	**- 146**	**97.0%**	**0%**
Interest payments	309.4	357.9	1,213.0	1,681.8	2,360.2	2,260.5	2,525.3	3,145.1	3,651.8	**507**	**116.1%**	**45%**
Domestic	271.4	310.3	1,076.8	1,469.7	1,954.0	1,936.4	2,005.7	2,624.0	2,965.0	**341**	**113.0%**	**48%**
External	38.0	47.6	136.1	212.1	406.2	324.1	519.5	521.1	686.8	**166**	**131.8%**	**32%**
Subisidies	87.4	92.0	68.0	55.7	96.0	-	-	-	-	**-**		
Grants	1,747.3	1,692.7	3,666.6	4,084.9	4,334.9	5,277.3	6,157.1	6,706.3	6,156.7	**- 550**	**91.8%**	**0%**
Local governments	1,023.9	1,149.6	2,146.3	2,339.2	2,562.3	2,587.1	3,189.8	3,623.9	3,218.8	**- 405**	**88.8%**	**1%**
Wage bill	631.6	664.4	1,405.1	1,458.3	1,693.7	1,668.5	2,064.6	2,116.4	2,166.5	**50**	**102.4%**	**5%**
Reccurent	219.1	267.6	465.3	619.4	576.3	628.7	677.8	768.2	533.4	**- 235**	**69.4%**	**-21%**
Development	173.2	217.6	275.9	261.5	292.3	289.9	447.4	739.3	518.9	**- 220**	**70.2%**	**16%**
Transfers to International organizations	13.5	17.2	40.4	74.2	44.8	76.3	71.8	76.7	76.7	**-**	**100.0%**	**7%**
Transfers to Missions abroad	38.3	41.5	102.4	163.9	148.7	150.7	170.0	186.2	169.6	**- 17**	**91.1%**	**0%**
Transfers to Tertiary Institutions	80.5	83.5	178.1	251.3	277.8	350.6	416.8	777.3	722.6	**- 55**	**93.0%**	**73%**
Transfers to District Refferal hospitals	27.8	45.5	65.8	82.3	80.8	158.0	184.7	182.3	158.9	**- 23**	**87.1%**	**-14%**
Transfers to other agencies (incl URA)	563.3	355.3	1,133.6	1,173.8	1,220.5	1,954.6	2,124.0	1,859.91	1,810.2	**- 50**	**97.3%**	**-15%**
Social benefits (pensions)	78.5	79.0	244.2	157.7	173.6	1.3	1.0	0.7	0.7	**-**	**100.0%**	**-27%**
Other expenses/1	16.0	60.0	238.2	220.4	457.5	476.5	506.8	939.6	914.5	**- 25**	**97.3%**	**80%**
Gross operating balance	**223.5**	**497.8**	**1,466.0**	**1,201.3**	**1,893.0**	**1,277.4**	**1,193.6**	**3,406.6**	**(283.5)**	**- 3,690**	**-8.3%**	**-124%**
Investment in Non-Financial Assets	**556.1**	**775.3**	**3,220.3**	**3,508.1**	**4,579.1**	**4,496.6**	**5,774.7**	**12,728.4**	**8,243.7**	**- 4,485**	**64.8%**	**43%**
Domestic development budget	270.0	593.4	1,914.4	2,204.9	2,366.5	2,521.7	3,304.7	6,096.9	5,284.23	**- 813**	**86.7%**	**60%**
Donor projects	286.1	181.9	1,305.9	1,303.2	2,212.6	1,974.8	2,470.0	6,631.5	2,959.52	**- 3,672**	**44.6%**	**20%**
Total Outlays	**4,318.0**	**4,949.0**	**12,918.8**	**15,075.5**	**16,712.4**	**18,500.3**	**22,420.4**	**31,868.2**	**26,996.0**	**- 4,872**	**84.7%**	**20%**
Net borrowing	**(332.6)**	**(277.5)**	**(1,754.3)**	**(2,306.8)**	**(2,686.1)**	**(3,219.2)**	**(4,581.0)**	**(9,321.8)**	**(8,527.2)**	**795**	**91.5%**	**86%**
less Payables (domestic arrears repayments)	284.1	282.8	224.7	118.9	184.0	304.9	418.8	449.5	458.0	**9**	**101.9%**	**9%**
less Net lending for policy purposes	(162.9)	(56.7)	1,235.2	1,532.5	541.0	1,396.5	1,428.1	793.0	1,355.4	**562**	**170.9%**	**-5%**
Overall deficit including grants	**(453.8)**	**(503.6)**	**(3,214.3)**	**(3,958.2)**	**(3,411.1)**	**(4,920.5)**	**(6,427.9)**	**(10,564.4)**	**(10,340.6)**	**224**	**97.9%**	**61%**
Overall deficit excluding grants	**(1,192.4)**	**(1,388.4)**	**(4,145.1)**	**(5,105.5)**	**(4,360.9)**	**(5,694.7)**	**(7,629.5)**	**(12,464.3)**	**(11,219.7)**	**1,245**	**90.0%**	**47%**
Net Change in Financial Worth (Financing)	**(453.8)**	**(503.6)**	**(3,214.3)**	**(3,958.2)**	**(3,411.1)**	**(4,920.5)**	**(6,427.9)**	**(10,564.4)**	**(10,340.6)**	**224**	**97.9%**	**61%**
Domestic	**222.0**	**(8.9)**	**(2,483.4)**	**(1,898.8)**	**(603.1)**	**(1,359.6)**	**(2,464.5)**	**(3,078.9)**	**(3,617.2)**	**- 538**	**117.5%**	**47%**
Bank Financing	198.2	(417.6)	(1,288.1)	(923.0)	297.4	(260.3)	(1,256.3)	(1,794.0)	(2,358.0)	**- 564**	**131.4%**	**88%**
Non Bank Financing	23.9	408.7	(1,195.2)	(975.8)	(900.5)	(1,099.2)	(1,208.2)	(1,284.9)	(1,259.2)	**26**	**98.0%**	**4%**
External	**(558.7)**	**(557.1)**	**(919.0)**	**(2,494.0)**	**(2,608.6)**	**(3,496.2)**	**(3,680.3)**	**(7,485.5)**	**(6,723.4)**	**762**	**89.8%**	**83%**
Net change in financial assets	(207.0)	-	-	-	-	-	-			**-**		
Net change in Liabilities	351.7	557.1	919.0	2,494.0	2,608.6	3,496.2	3,680.3	7,485.5	6,723.4	**- 762**	**89.8%**	**83%**
Disbursement	469.4	707.6	919.0	2,494.0	2,608.6	3,496.2	3,680.3	7,485.5	6,723.4	**- 762**	**89.8%**	**83%**
Project loans	465.2	474.8	1,177.1	2,813.5	2,410.5	4,165.2	4,690.1	7,634.2	3,687.7	**- 3,946**	**48.3%**	**-21%**
Import support loans	4.1	232.8	-	-	572.9	141.1	188.3	574.6	3,773.0	**3,198**	**656.6%**	**1904%**
Amortization (-)	(86.7)	(126.1)	(244.1)	(313.1)	(371.2)	(813.1)	(1,198.1)	(723.3)	(737.3)	**- 14**	**101.9%**	**-38%**
Payment of foreign debt arrears	(8.4)	-	-	-	-	-	-			**-**		
exceptional fin.	(22.7)	(24.5)	(14.0)	(6.4)	(3.6)	3.0	-	-	-	**-**		
Errors and ommissions	**(117.2)**	**62.4**	**68.5**	**313.1**	**(329.2)**	**(64.8)**	**(283.1)**	**-**	**-**	**-**		

Source: Ministry of Finance, Planning and Economic Development

Financing

Domestic Financing

To facilitate Government activities, domestic borrowing (excluding recapitalization and domestic debt refinancing) is projected to be equivalent to Ushs 2,569.8 billion as projected in the budget.

A transfer of 225 billion was made in the month of September 2019 from the petroleum fund to the UCF to finance the budget. This is lower than the Ushs.445 billion drawdown expected at the time of the budget. This is because Ushs. 197 billion which was expected as capital gains tax from oil related activities did not materialize. However, by the end of

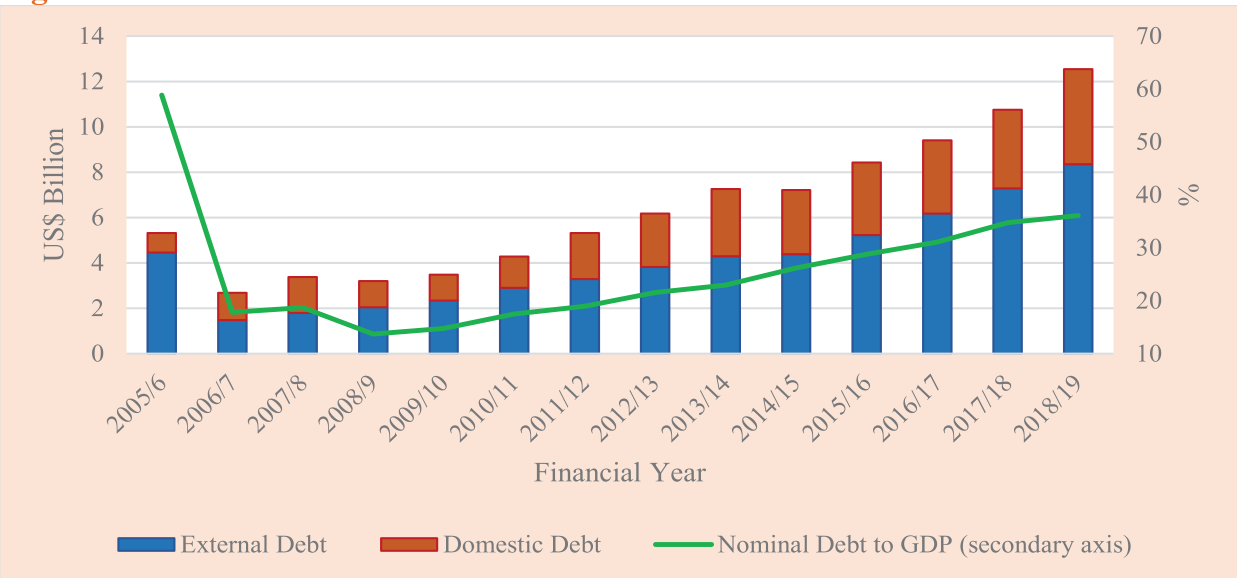
December 2019, revenue collections from other oil related activities worth Ushs. 23.6 Billion had been deposited into the fund.

Public Debt

Government's prioritization of improvement of the country's infrastructure as a means to unlock its potential, enhance productive capacity and increase competitiveness has led to implementation of a number of key infrastructure projects which cannot all be fully financed from domestic revenues. Consequently, these have been financed using borrowed resources, leading to build up in public debt in recent years. However, public debt accumulation has been carefully managed to ensure that debt remains sustainable. Uganda's debt levels remain significantly below those of most of our regional peers.

With reference to the most recent Debt Sustainability Analysis Report (December 2019), the stock of total public debt stood at US$ 12.55 billion (USHS 46.36 Trillion) by end June 2019 of which US$ 8.35 billion (USHS 30.85 Trillion) was External and US$ 4.2 billion (USHS 15.51Trillion) domestic. This translated into 35.4 percent of GDP in nominal terms and 26.8 percent in present value[105] terms. Public debt is projected to increase to 41.6 percent of GDP by end June 2020 and 30.9 percent in Present value terms, which is still well below the 50 percent PV of debt to GDP threshold stipulated in the charter for Fiscal responsibility, beyond which debt becomes unsustainable. The Debt Sustainability Analysis (DSA) finds that Uganda continues to be at low risk of debt distress, with public debt found to be sustainable over the medium to long term. Figure 4.12 below shows the evolution of Public debt in billions of US Dollars between FY 2005/6 and FY 2018/19. It also plots trends in total nominal debt to GDP.

Figure 4.12: Evolution of Public Debt.



Source: MoFPED

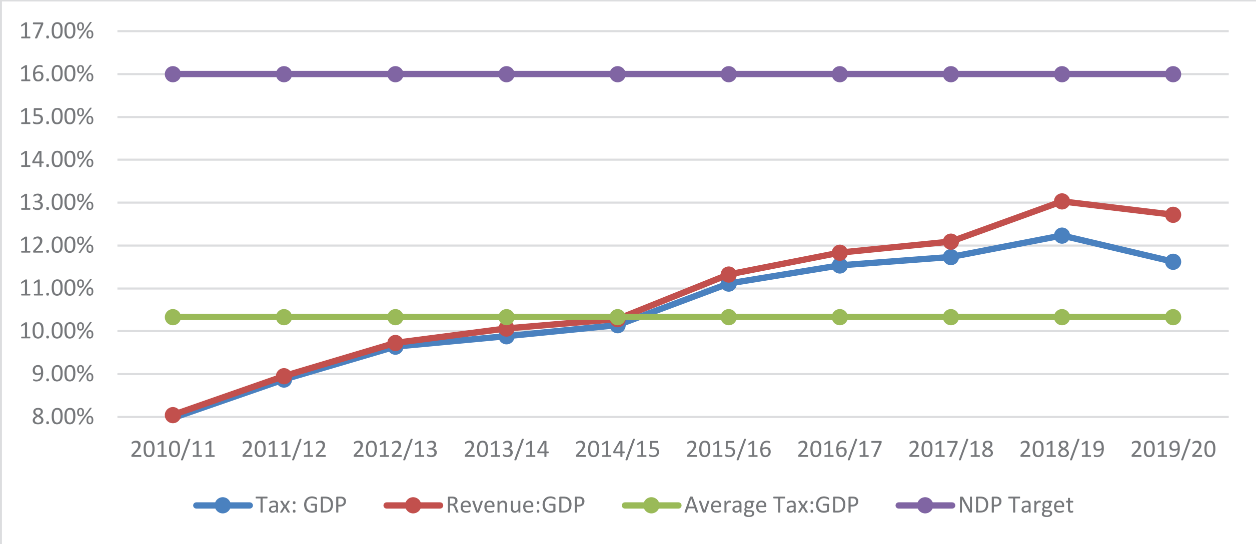
4.4.3 Revenue Performance

Over the past decade, Uganda's revenue effort (the ratio of total revenues collected to GDP) has risen from 8.1 percent in FY 2010/11 to 13.0 percent in FY 2018/19. This, however, is projected to decline to 12.8 percent in FY 2019/20, mainly on account of the slowdown in

105 Present value terms, is where the future debt service costs are discounted to today's value.

the economy occasioned by the coronavirus pandemic. Figure 4.13 shows Uganda's revenue effort for the period FY 2010/11 to FY 2019/20.

Figure 4. 13: Uganda's Revenue Effort FY 2010/11 to FY 2019/20



Source: MoFPED

Revenue Performance for FY 2019/20

In FY 2019/20, Government's main revenue target was to raise domestic revenue collections by 0.5 percentage points of GDP as envisaged in the NDP II. This target has not been achieved because of two main reasons;

i. Delays in implementation of tax administration measures such the digital tax stamps, electronic fiscal devices, rental income tax solution, etc; and

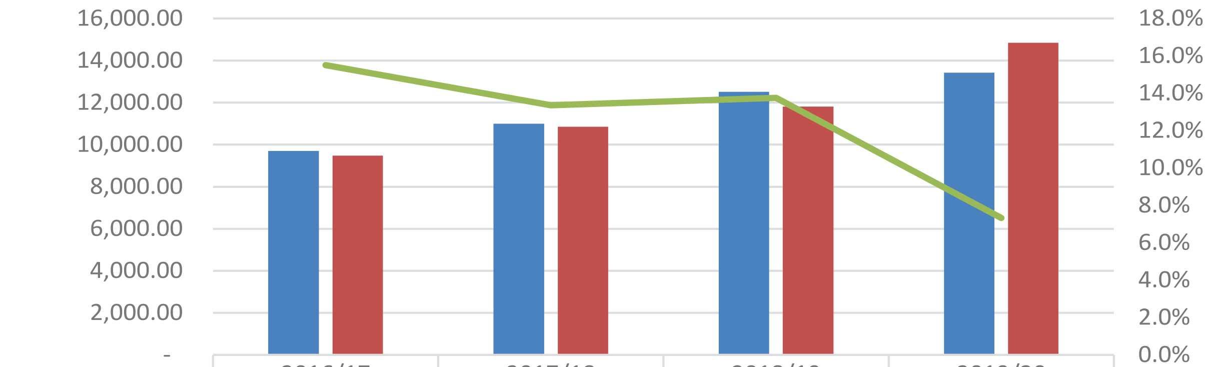
ii. The slowdown in economic growth occasioned by the coronavirus pandemic.

The overall net revenue target for FY 2019/20 was Ushs 20,448.73 billion, broken down into tax revenue of Ushs 18,877.30 billion and NTR of Ushs. 1,571.43 billion, of which AIA is Ushs 832.06 billion.

Revenue Performance for July 2019 to March 2020

For the period July 2019 to March 2020, overall tax and NTR collections amounted to Ushs. 13,415.37 billion against a target of Ushs 14,837.10 billion, registering a deficit of Ushs. 1,421.73 billion (9.6 percent below target). This translates into a growth of 7.3 percent compared to the same period in FY 2018/19. However, this growth rate is below the average growth of 14.2 percent for the same period (July to March) for the last three FYs as illustrated in Figure 4.14 below.

Figure 4.14: Revenue performance for July to March FY 2016/17 – FY 2019/20



	2016/17	2017/18	2018/19	2019/20
Net revenue	9,699.52	10,995.48	12,507.56	13,424.04
Estimates	9,479.11	10,856.52	11,813.82	14,837.10
Growth rate	15.5%	13.4%	13.8%	7.3%

Source: MoFPED

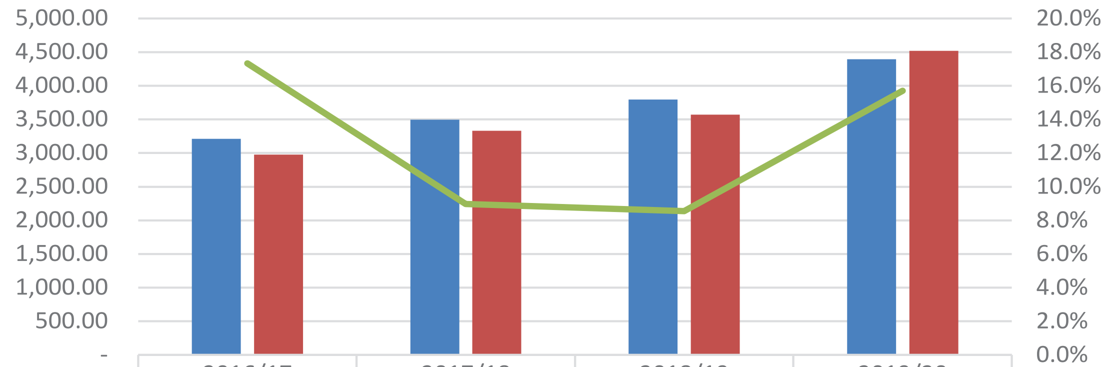
Factors underlying revenue performance for the period July 2019 to March 2020

Income taxes

The performance of income tax revenues broadly depends on the level of economic activity in any given year of income and URA's effort to unearth inflated expenses, undeclared income and enforcement activities to detect and deter tax evasion. Income tax collections amounted to Ushs. 4,393.46 billion against the target of Ushs 4,521.54 billion, registering a deficit of Ushs. 128.07 billion. Despite the shortfall, there was a growth of 15.7 percent in direct taxes collections compared to the same period in FY 2018/19. This growth is above the average growth rate of 11.6 percent for the same period, over the last three financial years.

Only corporation tax registered a surplus of Ushs. 154 billion. Shortfalls were registered in PAYE (Shs. 75.57 billion), Tax on Bank Interest (Shs. 7.74 billion), Rental Income Tax (Shs. 124.38 billion), withholding tax (Shs. 19.88 billion) and WHT on Treasury Bills (Shs. 5.69 billion). Figure 4.15 illustrates the historical performance of income taxes over the last three Financial Years.

Figure 4.15: Income taxes for July to March FY 2016/17 to FY 2019/20



	2016/17	2017/18	2018/19	2019/20
Income taxes	3,209.85	3,498.05	3,797.08	4,393.46
Estimates	2,977.62	3,328.86	3,568.22	4,521.54
Growth rate	17.3%	9.0%	8.5%	15.7%

Source: MoFPED

Performance of income taxes is attributed mainly to the following:

i. CIT registered a surplus of Shs. 154 billion as a result of a capital gains tax payment of Shs. 241.62 billion which was received from CIPEF ETW (UK) in December 2019;

ii. The underperformance of PAYE which registered a deficit of Shs. 75.58 billion on account of to lower PAYE collections from the oil and gas sector. International oil companies remitted Shs. 28.96 billion only instead of the anticipated Shs. 52.09 billion due to low business activities in the sector. CNOOC and Total E&P suspended giving out new contracts until the final investment decision has been taken.

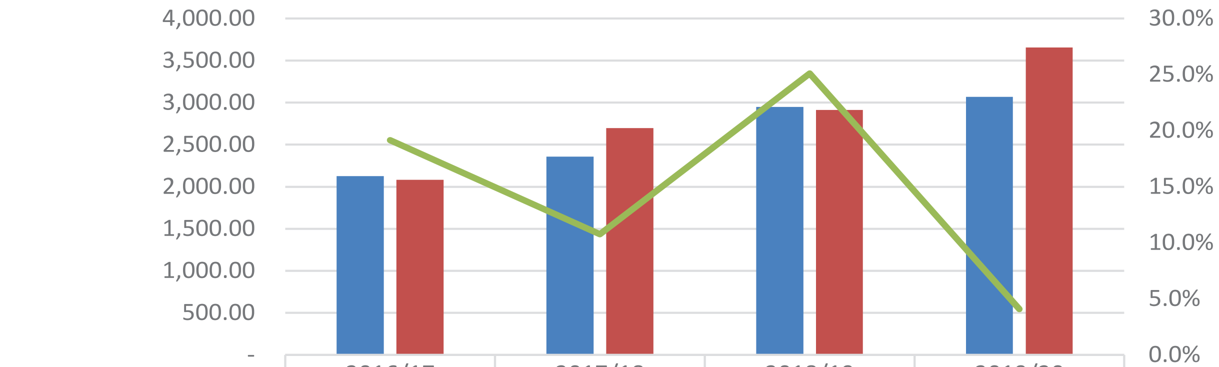
iii. The deficit of Shs 19.88 billion on WHT is attributed to decline in tax remittances especially from withholding tax on government payments by 11 percent and on dividends by 5.11 percent. The decline in WHT on dividends is mainly attributed to the non-payment of dividends by ABSA Bank Uganda which paid WHT on dividends worth Shs 8.85 billion during the same period FY 2018/19 but did not contribute this financial year. Furthermore, delays in gazetting the list of withholding tax agents negatively impacted on performance; and

iv. The deficit of Shs 124.38 billion in rental income tax is attributed to the delay in the implementing the rental income tax solution by RippleNami Inc.

Consumption taxes

These are taxes levied on the consumption of goods and services namely; Value Added Tax (VAT) and Excise Duty. Collections for the period amounted to Shs 3,068.06 billion against the target of Shs 3,655.84 billion, registering a shortfall of Shs 587.78 billion. This translates into a growth of 4.6 percent compared to the same period in FY 2018/19 and is below the average growth rate for the last three FYs of 18.3 percent as shown in Figure 4.16.

Figure 4.16: Performance of Consumption taxes for July, 2016/17 to 2019/20

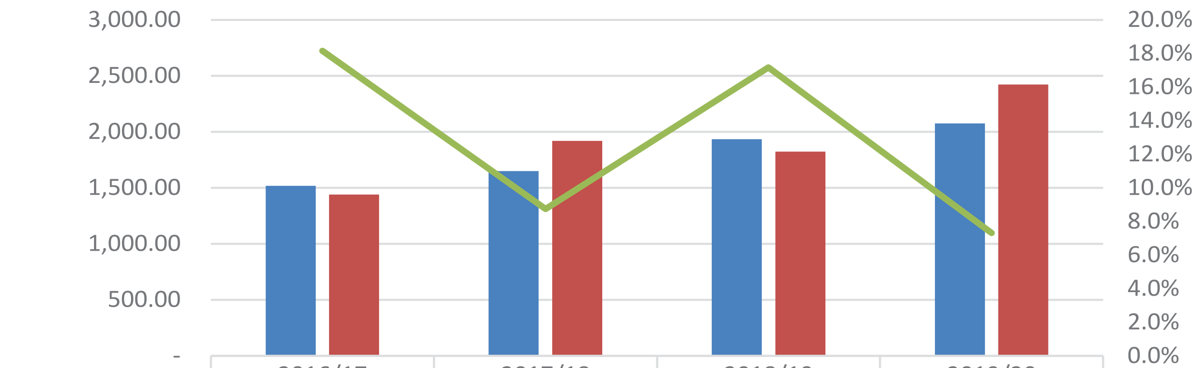


	2016/17	2017/18	2018/19	2019/20
Consumption taxes	2,127.40	2,356.21	2,947.54	3,068.06
Estimates	2,083.45	2,696.78	2,910.53	3,655.84
Growth rate	19.2%	10.8%	25.1%	4.1%

Source: MoFPED

Of the indirect domestic taxes collections of Shs 3,068.06 billion, Shs. 2,075.55 billion is attributed to VAT which is below the target of Shs 2,423.67 billion by Shs. 348.12 billion while excise duty collections amounted to Shs. 992.51 billion against a target of Shs. 1,232.18 billion, hence a deficit of Shs. 239.67 billion. Excise duty revenues grew by 0.7 percent compared to 27 percent average growth for the same period over the last three financial years. Figures 4.17 and 4.18 illustrate the performance of VAT and excise duty for the last 3 financial years respectively.

Figure 4.17: Performance of VAT, FY 2016/17 to FY 2019/20



	2016/17	2017/18	2018/19	2019/20
VAT	1,517.82	1,650.55	1,934.02	2,075.55
Estimates	1,440.56	1,918.90	1,825.23	2,423.67
Growth rate	18.2%	8.7%	17.2%	7.3%

Source: MoFPED

Performance of VAT is attributed mainly to:

i. VAT on phone talk time which registered a shortfall of Shs 130.75 billion due to a price drop for both on-net and off-net calls from Shs 5 to Shs 3 per second.

ii. VAT on sugar registered a deficit of Shs. 56.38 billion on account of a decline in sugar prices by Shs 1000 per kilogram in 2019. The fall in prices is due to the surplus of Sugar in the country; and

iii. VAT on construction which registered a deficit of Shs. 14.22 billion on account of the deeming provisions. Currently, 17 Large Tax Office taxpayers who have running contracts with UNRA of over Shs. 1,950 billion are benefiting from deeming of VAT.

iv. There were also delays in gazetting the VAT withholding tax agents which impacted negatively on revenue performance.

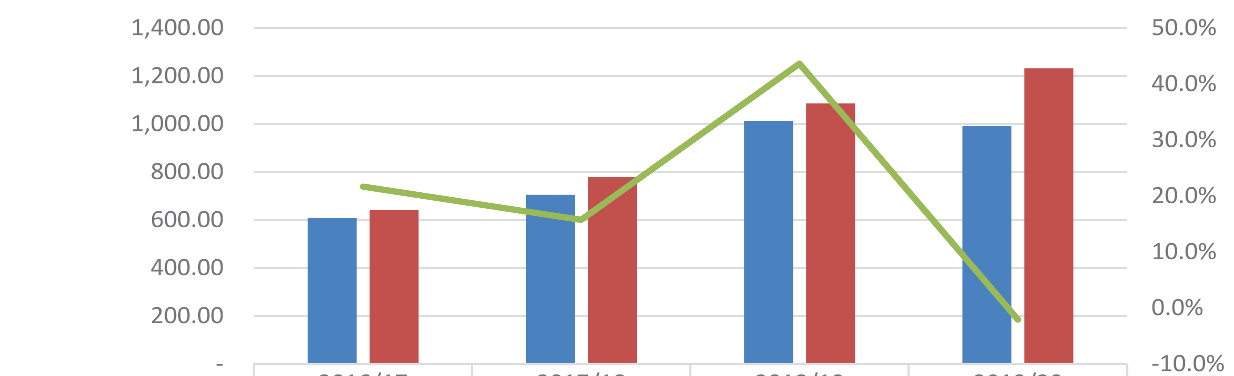
Excise duty performance was on account of;

i. Excise duty on spirits which registered a shortfall of Shs 79.30 billion due to a decline in sales by 29,532,607 litres. This was occasioned by the decision of Government to ban the sale of alcohol in sachets.

ii. Excise duty on mobile money withdraw transactions which registered a shortfall of Shs 41.29 billion. High value clients find it cheaper to withdraw cash in commercial banks cheaper than through mobile money. As a result, MTN Uganda alone had a decline of 36 percent in the value of mobile money transactions during the period July to December 2019 compared to the same period in 2018; and

iii. Delay in implementation of the Digital Tax Stamps solution (which commenced in February 2020) affected the performance of excise duty on items such as bottled water, beer, soft drinks and spirits.

Figure 4.18: Performance of Excise Duty for July to March for the past 3 FYs.



	2016/17	2017/18	2018/19	2019/20
Excise duty	609.58	705.66	1,013.52	992.51
Estimates	642.89	777.88	1,085.30	1,232.18
Growth rate	21.7%	15.8%	43.6%	-2.1%

Excise duty Estimates Growth rate

Source: TPD

Despite the shortfalls, the production volumes of all excise duty goods grew when compared to the same period in FY 2018/19 apart from spirits (waragi), bottled water and cosmetics. This is an indication that there is demand in the economy.

Tables 4.17 and 4.18 show production and sales volumes of excise duty goods for the same period FY 2015/16 to FY 2019/20.

Table 4.17: Production volumes for July to March 2020 FY 2019/20

	2015/16	2016/17	2017/18	2018/19	2019/20	Growth/decline in volumes 2019/20
Production						
Beer (litres)	93,857,637	215,032,655	48,640,036	210,479,208	261,977,559	51,498,351
Cement (Kg)	1,807,740	2,049,882	2,203,922	2,775,478	2,897,088	121,610
Cigarettes (Milles)	1,017,405	1,177,120	612,490	950,700	1,016,940	66,240
Cooking oil (litres)				157,455,398	210,128,556	52,673,158
Cosmetics and Perfumes	75,450,682	77,658,237	80,336,809	69,528,951	54,162,995	(15,365,957)
Bottled Water (litres)	170,717,656	173,152,281	186,386,400	18,524,708	236,786,424	18,261,716
Soft Drink (litres)	306,139,518	320,884,680	373,332,537	505,552,657	495,044,423	(10,508,234)
Spirits (litres)	73,697,309	89,698,569	99,274,845	85,866,739	55,490,249	(30,376,490)
Sugar (Kg)	291,878	316,992	272,246	330,445	362,800	32,355
Wines (litres)	462,813	389,310	474,323	205,867	226,320	20,453

Source: URA database

Table 4.18: Sales volumes

Beer (litres)	193,351,874	218,811,994	248,846,007	210,308,412	255,190,271	44,881,859
Cement (Kg)	1,812,905	2,035,023	2,220,789	2,751,234	2,923,498	172,264
Cigarettes	1,047,000	843,590	617,080	969,330	971,460	2,130
Cooking oil (litres)				153,837,256	206,151,098	52,313,842
Cosmetics and Perfumes	76,290,862	72,719,270	75,110,195	59,063,855	56,751,503	(2,312,352)
Bottled Water (litres)	168,270,336	175,791,476	188,961,270	216,175,054	208,485,459	(7,689,595)
Soft Drink (litres)	285,898,671	322,810,575	375,350,496	483,333,402	555,425,950	72,092,548
Spirits (litres)	73,063,958	87,982,837	96,851,236	84,020,751	54,488,144	(29,532,607)
Sugar (Kg)	287,838	312,325	222,157	321,904	374,762	52,857
Wines (litres)	467,060	389,344	467,725	192,377	223,093	30,717

Source: URA database

Trade taxes

Trade taxes include all taxes collected at importation of goods in accordance with the East African Community Customs Management Act (EACCMA) and the rates are prescribed in the Common External Tariff (CET) which is an annex to the EACCMA. The base for these goods is mainly Cost Insurance and Freight (C.I.F) values upon which the rates are applied. Most of the duty rates are ad valorem in nature with a three band structure (0 percent for raw materials, 10 percent for intermediate goods and 25 percent for finished products). However, there are a few exceptions where specific duties are designed in the legislations to guard against revenue loss and protect domestic industries.

For the period July 2019 to March 2020 FY 2019/20, collections amounted to Shs. 5,286.94 billion against the target of Shs 5,678.56 billion registering a deficit of Shs. 391.62 billion. This represents growth of 2.8 percent compared to the same period in the previous Financial Year. This growth is below the average growth of 11.8 percent for the same period last 3 financial years. Major deficits were registered in Petroleum Duty (Shs 18.19 billion), VAT on imports (Shs 181.21 billion), Import Duty (Shs 133.18 billion) and Excise Duty on imports (Shs 41.62 billion).

This underperformance is attributed to;

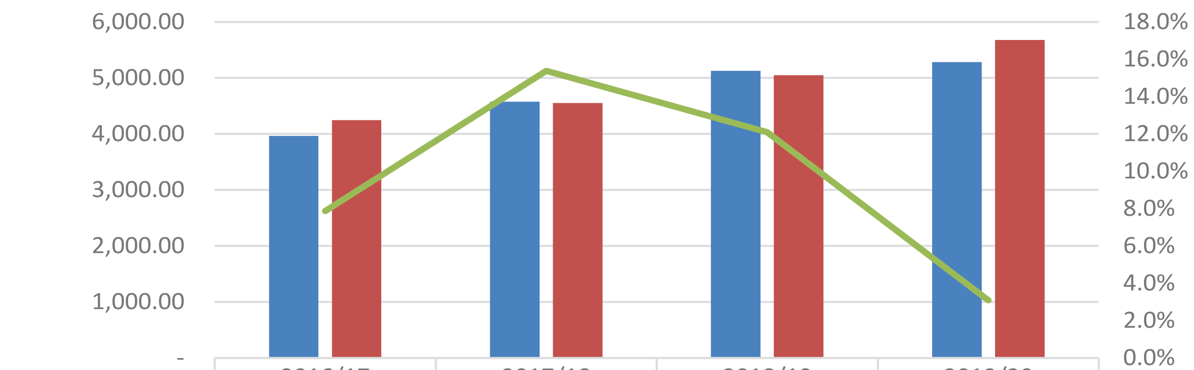
i. Decline in import volumes from USHS 19,889.70 billion to USHS 19,028.04 billion (4.3 percent) during the period July 2019 to March 2020.

ii. Decline in excisable imports by 9.29 percent compared to the same period FY 2018/19. Major items with significant declines included; Ethyl alcohol by USHS 10.33 billion, beer made from malt by USHS 6.64 billion, motorcycles by USHS 1.68 billion and wines by USHS 0.85 billion; and

iii. The impact of regionalization. For example, during the period July 2019 to March 2020, imports from COMESA at preferential rates increased by 13.24 percent. These include sorghum, flavors, pampers, cement clinkers, sugar or industrial for use, sanitary towels, soap and waste & scrap.

The growth of international trade taxes has been declining from 15.4 percent in FY 2017/18 to 3.1 percent in FY 2019/20. This is illustrated in Figure 4.19.

Figure 4.19: Performance of trade taxes for the past 3 FYs.



	2016/17	2017/18	2018/19	2019/20
Trade taxes	3,965.12	4,575.13	5,128.32	5,286.94
Estimates	4,246.94	4,553.82	5,052.94	5,678.56
Growth rate	7.9%	15.4%	12.1%	3.1%

Trade taxes   Estimates   Growth rate

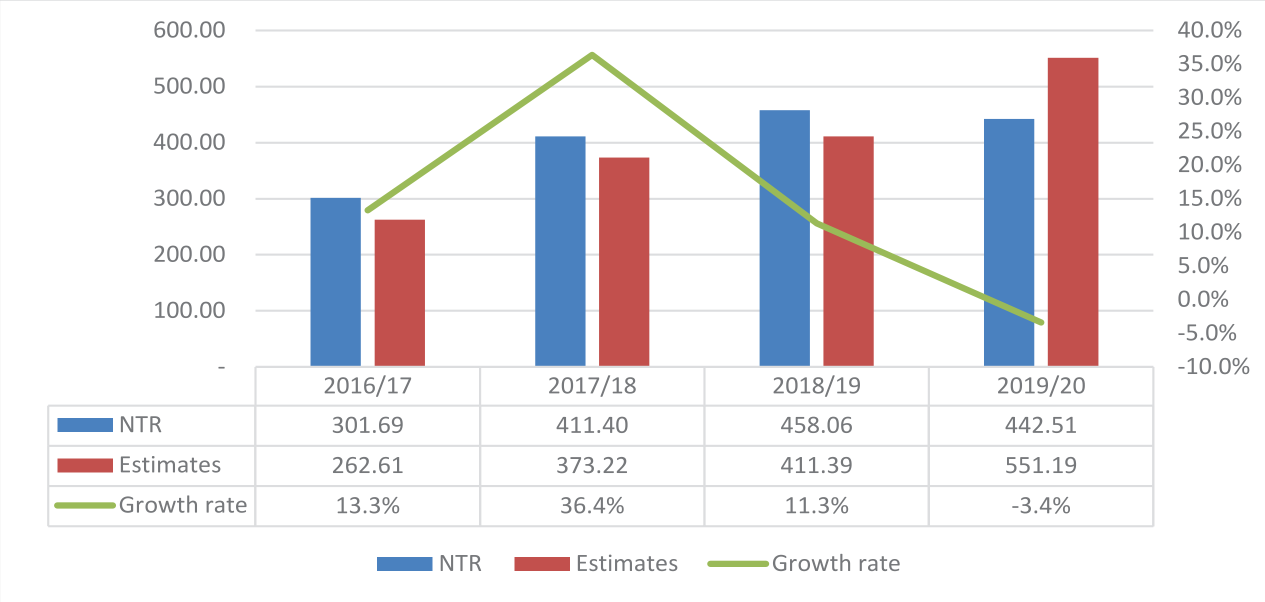
Source: TPD

Non Tax Revenues (NTR)

NTR is the recurring income earned by the Government from sources other than taxes. These include driving permit fees, passport fees, immigration fees, etc. Cumulatively, NTR collections for the period July 2019 to March 2020 amounted to USHS 847.74 billion against the target of USHS 1,164.41 billion, hence a shortfall of USHS 316.67 billion. Of this, non URA NTR amounted to USHS 67.91 billion against the target of USHS 77.49 billion hence a shortfall of USHS 9.58 billion while AIA amounted to USHS 405.23 billion against the target of USHS 613.22 billion, resulting into a shortfall of USHS 207.99 billion. This reflects a decline in NTR collections of 3.4 percent compared to the same period in FY 2018/19

It should be noted that AIA projections included USHS 234.44 billion for MDAs which were later exempted from collecting through URA. Figure 4.20 shows NTR performance for the last three financial years.

Figure 4.20: Performance of NTR for July to March the past 3FYs.



Source: MoFPED

Sectoral performance to revenue

The top five revenue performing sectors (table 4.19) have been consistent for the last three years. This financial year 2019/2020, they generated 71.64 percent of the total revenue. This represents a slight decline in performance of these sectors compared to the same period in FY 2018/19, where the top five sectors contributed 74.34 percent. This however doesn't mean that there was a reduction in revenue from the top 5 sectors. On the contrary, there was an increase in revenue (from USHS 9,206.14 billion to USHS 9,743.05 billion).

Wholesale trade and retail trade as well as repair of motor vehicles and motor cycles contributed the highest to revenue performance for the period July 2019 to March 2020 by contributing 29.2 percent to total revenue. Manufacturing also contributed significantly by 20.1 percent of the total revenues. The detailed contribution to revenue by sectors is highlighted in Table 4.19.

Table 4.19: Contribution to revenue performance by sector

Current Sector Main Activity	Collected Amount USHS Bn 2018/19	Percent Contribution 2018/19	Collected Amount USHS Bn 2019/20	Percent Contribution 2019/20
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	3,671.62	29.65	3,969.27	29.19
C-Manufacturing	2,726.17	22.01	2,732.83	20.10
J-Information and communication	1,178.22	9.51	1,177.64	8.66
K-Financial and insurance activities	1,002.99	8.10	1,170.01	8.60
UNSECTORIZED	570.17	4.60	826.69	6.08
O-Public administration and defence; compulsory social security	627.14	5.06	693.30	5.10
D-Electricity, gas, steam and air conditioning supply	343.41	2.77	401.29	2.95
F-Construction	316.88	2.56	336.00	2.47
U-Activities of extraterritorial organizations and bodies	50.81	0.41	299.54	2.20
Q-Human health and social work activities	230.75	1.86	254.24	1.87
M-Professional, scientific and technical activities	194.25	1.57	246.19	1.81
L-Real estate activities	208.49	1.68	235.48	1.73
H-Transportation and storage	190.61	1.54	231.28	1.70
P-Education	183.13	1.48	208.31	1.53
S-Other service activities	186.81	1.51	200.86	1.48
I-Accommodation and food service activities	137.84	1.11	143.87	1.06
A-Agriculture, forestry and fishing	128.23	1.04	129.14	0.95
N-Administrative and support service activities	179.39	1.45	116.15	0.85
B-Mining and quarrying	111.31	0.90	86.34	0.63
R-Arts, entertainment and recreation	66.20	0.53	75.76	0.56
E-Water supply; sewerage, waste management and remediation activities	71.13	0.57	59.74	0.44
T-Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	8.02	0.06	5.20	0.04
Grand Total	**12,383.56**	**100.00**	**13,599.14**	**100.00**

Source; URA database

Performance of tax policy measures

In the National Budget for FY2019/20, Government pronounced itself on a number of tax policy and administrative measures amounting to Shs 847 billion to be implemented effective 1st July 2019.

Key new measures were introduced in the following areas; VAT, income tax, Excise duties, Customs (Common External Tariff) and administration. The administrative measures included operationalization of Electronic Fiscal Devices, use of Digital Tax Stamps, Implementation of the rental income tax collection solution by Ripple Nami, Purchase and deployment of Scanners and use of Electronic Cargo Tracking system. Some of the VAT policies included exemption of drugs and medicines, mathematical sets, geometry and other educational equipment used for technical and vocation education. The income tax policy measures included reduction of withholding tax on long term Government bonds (10 years and above) from 20 percent to 10 percent and to provide an exemption for interest on infrastructure bonds.

During the period July to March of FY 2019/20, performance of revenue enhancement measures was lower than projected, generating Shs 94.01 billion. This was largely attributed to delays in the implementation of administrative measures which include digital tax stamps, electronic fiscal devices and rental income tax collection.

Table 4.20: Summary of revenue enhancement measures performance

Measures Category	Actual Total Revenue gain/loss for 2019/2020
Administrative measures	49.30
Income Tax	(42.04)
Excise Duty	0.00
VAT	16.25
International Trade Taxes	70.51
Other measures	0.00
Total	**94.01**

Source: URA database

Performance of administrative measures for the period July 2019 to March 2020

Tax administrative measures support revenue generation and widen the tax base by influencing the taxpayers' compliance behaviour which improves tax compliance and the efficiency of tax administration. Numerous tax administration initiatives were implemented during July 2019 to March 2020 and these include: taxpayer segmentation, taxpayer register expansion initiatives, monitoring of filing ratios, arrears management, tax investigations and customs enforcement interventions.

a) Segmentation of taxpayers

Segmentation of taxpayers as a compliance strategy enables an enhanced understanding of taxpayer behavior, risk analysis, risk management and ease in tracing compliance towards the tax liability. In-addition, it facilitates implementation of personalized service delivery to different tax payer segments and enactment of target specific compliance strategies which simplifies revenue collection.

During the period July to March of FY 2019/2020, Large Taxpayer Office (LTO), Public Sector Office (PSO), Medium Taxpayer Office (MTO), Small Taxpayer Office (STO) and Oil and Gas office performed below target posting cumulative shortfalls of Shs 474.17 billion, Shs 325.44 billion, Shs 110.23 billion, Shs 72.42 billion and Shs 27.97 billion respectively as depicted below in Table 21.

b) Tax register growth

During the period July 2019 to March 2020, 103,473 new tax payers were added onto the taxpayer register. The total taxpayers on the register as at end of March 2020 were 1,590,827. This represents a growth of 6.96 percent compared to the register as at 30th June 2019. This is broken down in Table 4.21.

Table 4.21: Growth in the taxpayer register

Registration type	As at 30/06/2019	As at 31/03/2020	Increase/Decrease
Non individual	112,409	119,854	7,175
Individual	1,374,945	1,471,243	96,298
Total	1,487,354	1,590,827	103,473

Source: URA

c) Filing ratios

Tables 4.22 and 4.23 show filling ratios for the July 2019 to March 2020.

Table 4.22: PAYE filing ratios for July to September 2019/20

PAYE			
	Target Filing ratio (percentage)	Actual Filing ratio(percentage)	Average Filing gap (percentage)
LTO	98.00	98.00	-
MTO	97.00	95.00	2.00
STO	75.00	70.00	5.00
PSO	70.00	61.00	9.00
PAYE Average	85.00	81.00	4.00

Source: URA database

Table 4.23: VAT filing ratios

VAT			
	Target Filing ratio (percentage)	Actual Filing ratio (percentage)	Average Filing gap (percentage)
LTO	99.00	98.00	1.00
MTO	99.00	97.00	2.00
STO	75.00	82.00	-
PSO	84.00	80.00	4.00
VAT Average	89.25	89.00	1.75

Source: URA Database

d) Audit performance

Audits are interventions in improving taxpayers' compliance behaviour and recovery of outstanding taxes. During July to March of FY 2019/20, a total of 172 customs post clearance audits were completed (111 comprehensive, 61 issue) against a target of 243 audits (144 comprehensive, 99 issue) . These were assessed at Shs 39.55 billion of which Shs 30.77 billion was agreed upon leading to an audit yield of 77.8 percent.

For domestic taxes, several initiatives were executed aimed at improving taxpayer declarations and behavior as illustrated in Table 4.24.

Table 4.24: Compliance Initiatives during the period of July 2019 to March 2020

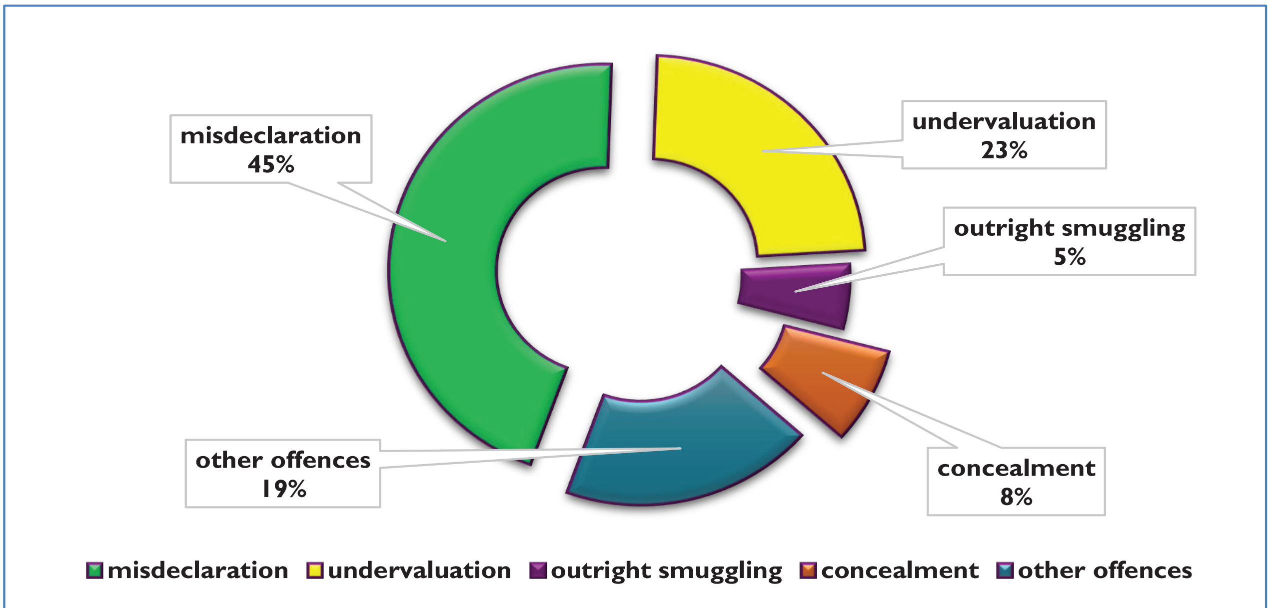
Initiative	Q 1 Target	Completed	Assessed (Shs bn)	Realized (Shs bn)
Compliance Advisories	9,901	9,419	310.69	1.15
Register Cleaning	3,220	1,577	10.85	5.33
Compliance Visits	211	93		
Refund audits	5,960	276	87.83	3.14
Return Examination	38,885	32,021		
Compliance Audits	35	28	362.84	80.05

Source: URA Databases

e) Enforcement

Enforcement operations during the period July 2019 to March 2020 led to recovery of Shs 59.01 billion. This was as a result of 5,625 seizure notices of which 4,410 were for dutiable goods and 1,215 were for non-dutiable goods. The most reported offences are illustrated by Figure 4. 21.

Figure 4.21: Enforcement recoveries by nature of offence FY 2019/20



Source: URA Databases

f) Arrears management

The total arrears stock as at end March FY 2019/2020, was Shs 3,102.04 billion, of which Shs 3,005.08 billion were domestic tax arrears and Shs 96.96 billion were customs tax arrears. The total recoveries made during the same period were Shs 443.37 billion.

Outlook for FY 2020/21

The Covid-19 pandemic has negatively impacted on some of the factors that influence revenue performance, mainly the macroeconomic assumptions. On account of this, the macroeconomic assumptions for FY 2019/20 and FY 2020/21 have been revised. Economic growth for FY 2019/20 and FY 2020/21 has been reduced to 3.1 percent and 4.5 percent respectively. Accordingly, the projected revenue performance is below what had been anticipated without the pandemic. Taking into account the revised growth of the economy and the revenue performance, the projected outturn for FY 2019/20 has been revised to Shs 17,589.81 billion instead of the initial projected outturn of USHS 18,898 billion.

The approved revenue projection for FY 2020/21, therefore, is Shs 21,809.7 billion broken down as follows;

i. Tax revenue of Shs 20,218.7 billion; and
ii. Non-Tax Revenues of Shs 1,591.0 billion, of which Appropriation in Aid is Shs 917.8 billion.

The Fiscal Strategy for the next Financial Year and the medium term has been anchored on the Domestic Revenue Mobilization Strategy (DRMS), which is another important step by Government towards taking greater control of Government's budget over the next five years. The DRMS aims to leverage the contribution of all Ugandans towards fostering the development of Uganda's revenue system, while recognising the growing need to mobilise sufficient revenue to support the investments needed in infrastructure, healthcare and welfare systems, schools and universities, and other social services.

In setting the objectives of the DRMS, Government aimed to attain a balance between competing challenges of increasing the revenue effort to support expenditure needs and the need to encourage investment and industrialisation, thereby ensuring fairness and transparency in the tax system.

Given the advent of the covid-19 pandemic and the associated actual and potential adverse impacts on the economy, during the next Financial Year Government decided not to introduce new taxes as well as not to increase the existing tax rates, except for petroleum products. The rationale for this decision was the need to maintain a competitive business atmosphere for enhanced economic recovery, as well as maintain an acceptable level of social welfare during and after the covid-19 pandemic.

Government's main focus in the next Financial Year will be to support Uganda Revenue Authority to strengthen tax administration for improved efficiency in tax and non-tax revenue collection. Government will continue to streamline the collection, reporting and accounting for non-tax revenues by calling on all Ministries, Departments and Agencies to collect non-tax revenues through the URA web portal, as a conduit to the consolidated fund. Government also recognises the need for raising the capacity of Local Governments to improve local revenue generation to ease the funding pressure on Central Government. In the next Financial Year, Government will support Local Governments to expand the rollout of the e-log rev system.

To achieve the revenue target for FY 2020/21, the following interventions will be undertaken in the next financial year:

i. Continue the rolling out of digital tax stamps solution as well as expanding the scope of the products covered under the solution deter under-declaration of the production and importation of those products. It is also meant to ensure that goods on the market meet the health and safety standards so that the goods that are sold on the market do not harm Ugandans;

ii. Widening the scope of the income tax withholding agents across the sectors with a view of broadening the tax base;
iii. Enhanced rental income tax collection by implementing a tax collection solution as well as gazetting the rental income tax chargeable in different geographical arears for taxpayers who do not voluntarily declare their rental income to enhance rental income tax compliance;
iv. Gazetting of withholding VAT agents at a rate of 6 percent, as well as provide for penalties for failure to withhold;
v. Rollout the use of Electronic Fiscal Devices (EFDs) to improve compliance in VAT; and
vi. Improve URA's access to third party and other government agency data to enable URA improve the accuracy of taxpayer information. Effective management of this data will help to enforce compliance and facilitate many informal businesses to formalize their operations.

Parliament also approved a modest adjustment in the excise duty rate on fuel, to generate extra revenue of Shs 261.73 billion. There have also been some adjustments to the tax legislations to improve competitiveness in the region, support compliance, get rid of any ambiguities in the legislations as well as close loopholes that may lead to revenue leakage.

Government is aware of the importance of agriculture as a backbone of the economy. Therefore, VAT on the supply of agricultural equipment will be exempt. This equipment includes trailer for agricultural purposes; combine harvesters; tractor mounted Hay mowers, slashers, rakes & tedders; Crop sprayers; Hay & straw Balers; Tractor mounted Hole diggers / borers; Tractor mounted; Scrapers, levelling blades & Dam scoops; Root or tuber harvesting machinery; Tractor mounted loaders; Irrigation equipment; Drinkers & feeders for all farm animals and Tuber harvesting machinery.

Furthermore, the supply of processed milk will be exempt from VAT to enhance the price competitiveness of the milk produced in Uganda.

To respond effectively to the covid-19 pandemic, taxes on supplies for diagnosis, prevention, treatment, and management of the epidemics, pandemics and health hazards, will be exempt from customs duties.

CHAPTER 5: NATIONAL DEVELOPMENT

This chapter discusses national development outcomes over the NDP II period, and the contribution of public investment to the performance highlighted. It also highlights the country's investment and development priorities during the NDP III period (FY2020/21 to 2024/25).

5.1 NATIONAL DEVELOPMENT OUTCOMES

Implementation of the Second National Development Plan (NDP II) concludes in June 2020. NDPII was expected to deliver Uganda to middle income status with a per capita GDP of US$ 1039 by 2020. The national development strategy was accordingly focused around strengthening fundamentals of the economy to harness opportunities for sustained economic growth. NDPII particularly identified three key growth opportunities (Agriculture; Tourism; Minerals, Oil and Gas) and two fundamentals (Infrastructure and Human Capital Development). Implementation of the first two National Development Plans (NDP I & II) saw increased investments in high value sectors in a bid to structurally transform and enhance the productive capacity of the economy. A number of milestones were achieved against key development targets as indicated in the Table 5.1 below;

Table 5.1: Progress of Key Development Indicators

Development outcome	NDP II Target (2020)	Baseline Status (FY 2014/15)	Current Status (FY 2019/20)
GDP growth	6.3	4.7	3.1
GDP Per capita(US $)	1,039	743	905
Poverty*	14.2	19.7	21.4
Percentage of national labour force employed*	79	75.4	78.8
Total national paved road network (kms)	5000	3,795	5,111
Life expectancy**	60	53	63.3
Infant mortality (per 1000 live births)**	44	54	43
Under five mortality (per 1000 live births)**	55	90	64
Maternal mortality (per 100,000 births)**	320	438	336
Fertility rate	4.5	6.2	5.4
Share of births delivered in a health facility**	60	58	73
Access to grid electricity (percent population)	30	14	28
Access to clean water (percent population)	100	68	78
Average years of schooling	11.5	5.7	6.1
Literacy rate	80	70	74

Source: MoFPED

** Figures used for the status in FY 2019/20 are from UNHS 2016/17 which is the latest dataset for official statistics*

*** Figures used for the status in FY 2019/20 are from UDHS 2016 which is the latest dataset for official statistics*

Uganda has met its NDPII targets for infant mortality, share of births delivered in a health facility, life expectancy, share of labour force employed and total paved road network. With sustained investments in critical infrastructure and other socioeconomic investments, the remaining targets are likely to be achieved in the medium term. At the regional level, East Africa outperforms other regions on the continent in terms of growth. In this space, Uganda has performed considerably well in relation to its regional peers. The country's growth over the last decade averaged 5 percent, close to the regional average of 5.4 percent. Poverty has reduced markedly over the decade to 21.4 percent which is the lowest in the region with Tanzania standing at 26.8 percent, Rwanda 39 percent, and Kenya 36.1 percent. However Uganda's human capital index is low. A child in Uganda completes seven years of education by age 18, compared to 8.1 for its regional counterparts.[106] Uganda also has the lowest productivity in the region.

5.1.1 NDP III Strategic Direction

Government approved a new strategic direction for the next five years through the third National Development Plan under Vision 2040. (NDPIII: 2020/21 to 2024/25). The goal of NDP III is *"Increased Household Incomes and Improved Quality Of Life"* and will be achieved under the theme, *"Sustainable Industrialization for Inclusive Growth, Employment and Wealth"*.

The theme and goal of NDPIII are occasioned by the prevailing development context and the unfinished business of NDPII. Economic performance in the first decade of vision 2040 has laid a strong foundation for the country to achieve its middle income aspirations. The size of the economy expanded by 46 percent (by FY 2018/19), while the relative size of agriculture, services and industry sectors in GDP changed in favour of industry and services sectors, which are key components of a modernizing economy. The country further enjoyed a stable macroeconomic and political environment that are precursors for development. In addition, there was an increase in the stock and quality of critical productive infrastructure over the decade and improvements in socioeconomic development outcomes.

Despite the performance earlier highlighted, there are still existing development challenges that must be addressed in the next development strategy. Whereas macroeconomic growth has been positive, it has largely been driven by exports and consumption and characterized by a low employment intensity and a slow pace of structural economic transformation. As of 2017, 40 per cent of the country's 15 million workforce (working population) and 69 per cent of households were engaged in subsistence agriculture. The skills deficit has also continued to widen with average annual growth in labour productivity halving during this period from 3.6 per cent (1998 to 2008) to 1.9 per cent (2008 to 2018). In addition, the economy continues to be highly informal and characterized by small enterprises that are not self-sustaining and are delinked from progressive value chains. This, coupled with a fast rising population and relatively large subsistence sector pose a threat to the sustained and inclusive growth objective.

The Policy context of NDPIII is therefore based on productivity centered and investment driven economic growth. Upgrading value chains, raising household incomes, increasing job growth, and accelerating enterprise growth and development will be at the core of the economic growth strategy. The Plan will focus on resource led industrialisation to accelerate economic growth through value addition in key growth opportunities (agriculture, tourism and minerals). Successful implementation of this plan is expected to

[106] World Bank, 2020

deliver higher economic growth rates, higher GDP per capita and lower poverty rates while reducing vulnerability as well as income disparities between regions and between population segments. Key development targets to be achieved over the plan period are indicated in table 5.2 below.

Table 5.2: NDPIII Key Development Targets

Development Outcome Indicators	Baseline FY2017/18	NDP III target	Vision 2040 Target
Real GDP growth rate (percent)	6.2	7.0	8.2
Revenue to GDP ratio (percent)	12.5	15.01	25
Income per Capita (USD)	864	1,301	9,500
Poverty rate (percent below poverty line)	21.4	15.5	5.0
Population growth rate (percent)	3	2.5	2
Contribution of industry to GDP (percent)	18.6	25	31.4
Tourism receipts (USD billion)	1.3	2.5	-
Rate of growth of the agriculture sector	3.8 (6.1)	7	4.65
Savings (percent of GDP)	16	35	35
Ratio of exports to GDP (percent)	12.7 (15)	20	
Life expectancy at birth (years)	63.3	-	85
Infant mortality rate/1,000	64	-	4
Maternal Mortality Ratio/100,000	336	299	15
Wetland cover (percent)[107]	10.9	12	13
Forest cover (percent of total land area)	9.5	18	24

Source: NDPIII

In addition, unlike the previous two plans, NDPIII will use a programme approach to development. This approach has been adopted to enhance alignment towards delivery of common results and strengthen implementation synergies. Eighteen programmes have been articulated to this end.

[107] This indicator has already been achieved.

Table 5.3: NDP III Objectives, Development Strategies and Programmes

Development Objectives	Development Strategies	Programmes
Enhancing value addition in Key Growth Opportunities	• Promote agro-industrialization • Increase local manufacturing activity • Promote mineral-based industrialization • Harness the tourism potential • Promote export-oriented growth	1. Agro-industrialization 2. Mineral-based Industrialization 3. Petroleum Development 4. Tourism Development 5. Water, Climate change and ENR management
Strengthening the private sector to drive growth and create jobs	• Provide a suitable fiscal, monetary and regulatory environment for the private sector to invest • Increase local content participation	6. Private Sector Development 7. Manufacturing 8. Digital Transformation
Consolidating and increasing the Stock and Quality of Productive Infrastructure	• Institutionalize infrastructure maintenance • Develop intermodal transport infrastructure • Increase access to reliable & affordable energy • Leverage urbanization for socio-economic transformation	9. Transport Interconnectivity 10. Sustainable Energy Development 11. Sustainable Urban Development
Increasing Productivity, Inclusiveness and Wellbeing of the Population	• Improve access and quality of social services • Institutionalize HR planning • Enhance skills and vocational development • Increase access to social protection Promote STEI • Promote development oriented mind-set	12. Human Capital Development 13. Community Mobilisation and Mindset Change 14. Innovation, Technology Development & Transfer 15. Regional Development
Strengthening the role of the public sector in the growth and development process	• Increase government participation in strategic sectors • Enhance partnerships with non-state actors for effective service delivery	16. Governance and Security Strengthening 17. Public Sector Transformation 18. Development Plan Implementation

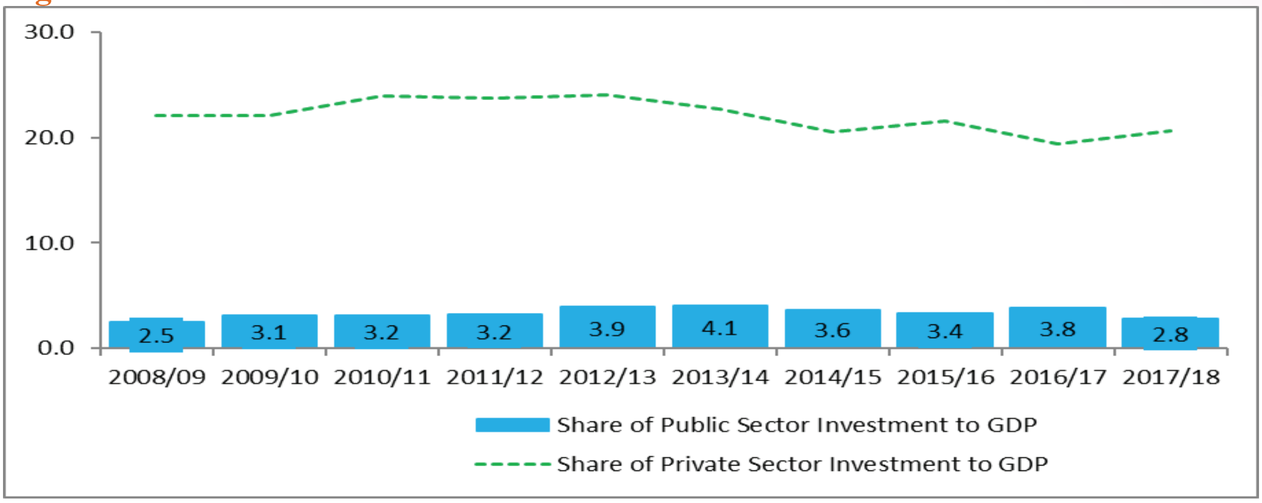
Source: NDPIII

5.2 PUBLIC INVESTMENT MANAGEMENT AND PERFORMANCE

Government has continued to increase the stock of public investments and improve public investment management over the NDP II period, with the aim of stimulating private investment through increasing production and productivity. The public investments made in infrastructure such as roads, energy and social services such as education and health, are critical for private sector development, as they lower the cost of doing business. This in turn, generates positive spillovers, including improved livelihoods.

Between 2015/16 and 2017/18, public investment as a proportion of GDP averaged 3.6 percent while private investment as a share of GDP averaged 22 percent over the same period (Figure 5. 1).

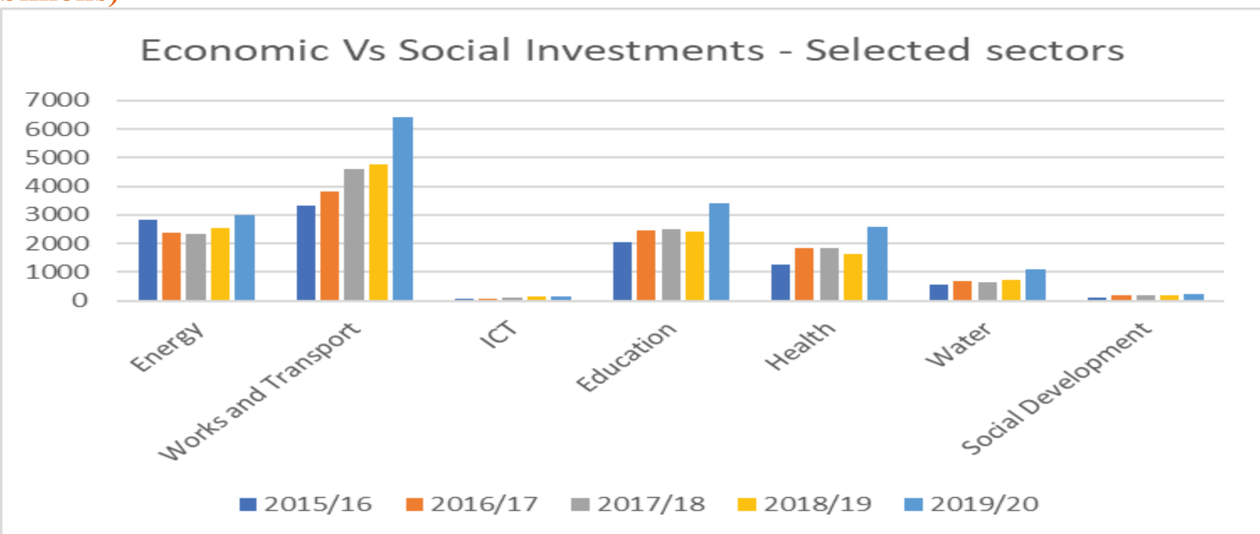
Figure 5.1: Share of Investment to GDP



Source: National Strategy for Private Sector Development

The bulk of public investment over the NDP II period has mainly been in infrastructure development. Government has also undertaken a range of social investments which are critical for achieving sustainable growth. (Figure 5.2)

Figure 5.2: Spending on Social and Economic Sectors under NDPII. (USHS billions)[108]



Source: MFPED

[108] FY outturn figures.

5.2.1 Implementation progress of NDPII core projects

NDPII identified a number of flagship projects with economy-wide impacts. Successful completion of these projects is critical to the realization of a competitive economy and expansion of the economic base. The projects were targeted towards harnessing infrastructural development, industrial development, trade and business development and social development.

The status of the 42 NDPII core projects by March 2020 is indicated in Table 5.4 below.

Table 5.4: Implementation Status of NDPII Core projects

S/N	Sector	Core Project	Implementation Status by March 2020
1	Agriculture	Agriculture Cluster Development Project (ACDP)	Project on schedule. 12,950 farmers have been enrolled onto the Electronic Voucher Management System. Matching Grant guidelines have been developed, and up to 95 farm road chokes along 254 km of road prioritized for rehabilitation in the five pilot districts.
		Markets & Agriculture Trade Improvement Project (MATIP II)	On schedule with a progress averaging at 40 percent. Procurement for construction of 7 markets completed in February 2018, implementation at 25 percent average. Procurement for construction of other 3 markets completed in May 2018, implementation at 15 percent average. Procurement of the 11th market is in the final stages.
		Farm Income Enhancement and Forest Conservation II	On schedule. 35 percent of the project has been delivered.
		Storage Infrastructure	Project under implementation
2	Tourism	Tourism Marketing and Product Development Project (Namugongo)	Implementation behind schedule. Only 20 percent of project delivered.
		Tourism Marketing and Product Development Project (Source of the Nile)	Feasibility Study and Master Plan finalized.
3	Minerals, Oil and Gas	Hoima Oil Refinery	Front End Engineering Designs (FEED) stands at 60 percent. Finalisation of the FEED will inform the Final Investment Decision (FID).

S/N	Sector	Core Project	Implementation Status by March 2020
		Oil-related infrastructure projects	Government of Uganda (GoU) signed the Inter-Governmental Agreement with the Government of the Republic of Tanzania in May 2018. Discussion of the Host Government Agreement is still ongoing, in order to be able to reach the Final Investment Decision Several infrastructure projects such as the East African Crude Oil pipeline project and the Oil Refinery are at the Front End Engineering Design (FEED) stage, before a final investment decision is made. The FEED process is 60 percent complete
		International Airport in the Albertine region	Physical progress for Kabaale International Airport stands at 36 percent
		Mineral Development for strategic minerals	i. Entebbe Minerals Laboratory has been rehabilitated ii. Airborne survey of Karamoja is underway iii. Government is fast-tracking the Minerals Policy iv. The Laboratory Information Management System was installed
		Development of Iron Ore and Steel Industry	Pre-feasibility study ongoing
		Phosphate Industry in Tororo	Phase I of the project was completed and launched which accounts for 50 percent implementation.
4	Energy Infrastructure	Karuma Hydro Power Plant	The project is 98 percent complete. The prior date of commissioning was extended from December 2019 to December 2020 in order to complete the interconnection infrastructure.
		Isimba Hydro Power Plant	The project was completed and commissioned on 21st March, 2019.

S/N	Sector	Core Project	Implementation Status by March 2020
		Industrial substations	Overall cumulative progress is 67 percent. Substations progress is as: Luzira- 99 percent; Iganga- 99 percent; Namanve South- 99 percent; Mukono- 99 percent. Transmission Lines progress: Namanve South-Luzira – 10 percent; Namanve North-Namanve South – 45 percent; Mukono T-off – 55 percent and Iganga T-off – 30 percent.
		Ayago Hydro Power Plant	Feasibility completed.
		National Grid Extension including Regional Power Pool	On schedule. 89 percent of works are complete
		Masaka-Mbarara Transmission Line	Procurement of EPC contractors on-going.
		Kabale-Mirama Transmission Line	Procurement of EPC contractors on-going.
		Grid Extension in the North East, Lira and Buvuma islands	Feasibility finalized, RAP ongoing for 50 percent of area, under tendering
	Transport Infrastructure	Standard Gauge Railway	Feasibility study, RAP and negotiation of financing ongoing. Preconstruction activities such as securing Right of Way are ongoing. Out of 2994.5 acres of land required for the project, 1089.6 acres have been acquired.
		Entebbe Airport Rehabilitation	Project implementation is on schedule, 67.5 percent of works are complete.
		Kampala-Jinja Highway	Draft Bidding Documents are being finalized for approval by PPP Committee
		Kibuye-Busega-Nabingo	Feasibility finalized (Kibuye - Busega discussions are on- going with potential financiers.)
		Kampala Southern Bypass	Feasibility finalized (procurement of contractor ongoing)
		Kampala-Bombo Express Highway	Detailed designs completed and under review.
		Busega-Mpigi Expressway	Construction has commenced and is expected to take 30 months.

S/N	Sector	Core Project	Implementation Status by March 2020
		Upgrading of Kapchorwa-Suam Road	Cumulative physical progress is 9.93 percent
		Kampala-Mpigi Expressway	Sections 1 and 2 are under procurement.
		Entebbe Expressway	98.74 percent cumulative physical progress.
		Albertine Region roads	Kyenjojo to Kabwoya - The cumulative progress as of March 2019 was 59.64 percent of works Kigumba – Bulima - 15.5 percent of the physical works had been completed Bulima - Kabwoya - The cumulative progress as of end of March 2019 is 78.75 percent of works
		Albertine Region Airport	On schedule at 36 percent.
		Rwekunye-Apac-Lira-Kitgum-Musingo Road	Acholibur- Kitgum - Musingo 86.4km. This project passed the defects liability period and now usable by the public. Rwenkunye-Apac-Puranga (191 Km) section: Draft contract under review awaiting Solicitor General's clearance.
		Bukasa Port	Feasibility Study, Preliminary designs and Master Plan Finalised. Preparatory works slated to start in the next financial year
		Road Construction (Earth Moving) Equipment	The project was completed and launched.
5	Human Capital Development	Renovation of 25 Selected General Hospitals	Renovation of 25 Selected General Hospitals is on schedule and due for completion by end of June 2020.
		Mass treatment of Malaria	Yet to commence
		Comprehensive Skills Development Programme	Implementation for the project is behind schedule.
	Social Development	Uganda Women Entrepreneurship Programme (UWEP)	On schedule (66.1 percent disbursement)
		Youth Livelihood Programme	On schedule (61 percent disbursement)
6	Trade Development	Revitalization of UDC	Legal framework and governance structures established Shs. 55bn provided out of required Shs. 500bn).
		Recapitalization of UDB	Implementation on schedule (USHS375bn disbursed)

Source: Draft NDPIII and sector reports

5.2.2 PIMS reforms and PIP improvements over NDPII

Over the second National Development Plan (NDPII) period, Government maintained and strengthened its momentum on the Public Investment Management System (PIMS) reform agenda. The reforms have been on ensuring that the processes underpinning public investment management are made more efficient and effective, so as to ensure increased returns on public investments. This is in line with the country's aspirations of achieving the middle income status as enshrined in Vision 2040.

At the start of the NDPII period, there were a number of inefficiencies under PIMS. These largely included weak public investment management, weak project identification, appraisal, implementation and monitoring and maintenance of development projects across Government institutions[109]. This greatly affected timely delivery of projects, and hence created limited project impact.

In order to eliminate these inefficiencies, several key reforms have been implemented targeting the whole project cycle from project identification, preparation and appraisal, implementation, monitoring to evaluation. In that regard, major reforms and achievements have revolved around strengthening project appraisal to enhance project readiness, with a strong and well- articulated and enforced four stage appraisal process under the Development Committee (DC);

The key Public Investment Management System (PIMS) achievements under NDPII include;

i. Establishment of a Multi Sectoral Development Committee to appraise and approve projects for inclusion in the Public Investment Management Plan;

ii. Strengthening the project approval process and methodologies. This was done through strengthening the Development Committee Guidelines and putting place standardized Project Preparation Manuals;

iii. Improving the comprehensiveness and reliability of project information by conducting the Stock Take exercise which was done in FY 2018/19;

iv. Development of the Commodity-Specific Economic Conversion Factors (CSCFs) Database, for estimating economic values for estimating economic values for more than 5000 tradable commodities and CSCFs for Non-Tradables; and

v. Development of the first Phase of Integrated bank of Projects (IBP), which is an online IBP serves as a central repository of information on all Public Investments.

Public Investment Management developments in FY 2019/20

i. Review of ongoing projects in the Public Investment Plan (PIP). In FY 2019/20, a portfolio review of ongoing projects in the Public Investment Plan (PIP) was undertaken involving the key stakeholders involved in the public investment management process. The review was undertaken to assess the performance of ongoing projects in order to evaluate the challenges impeding project execution. Lessons were drawn from the successfully implemented projects, and remedial actions to improve performance of non performing other public projects were

[109] The second National Development Plan(NDPII)

devised. In that regard, Government will in FY 2020/21 and the medium term continue to prioritize ongoing projects and sequence the associated interventions to ensure that they take the first call during the budget process.

ii. Implementation of the Integrated Bank of Projects (IBP). The IBP is an online repository containing all information on Government projects. The first phase of the IBP was launched and rolled out in 2019. This phase covers the pre-investment processes of the project cycle i.e. project identification, preparation and appraisal. With effect from 01st July, 2019, all project submissions to the Development Committee (DC) were done on the IBP. With this, all the relevant users in Ministries, Departments and Agencies (MDA's) have been assigned responsibilities and trained on the use of the system. This has greatly enhanced project preparation, analysis and appraisal processes. In FY 2020/21, the development of the second phase of the IBP covering project implementation, monitoring and ex-post evaluation will be undertaken to capture data on financial and physical performance of public investments and to aid monitoring and evaluation of projects.

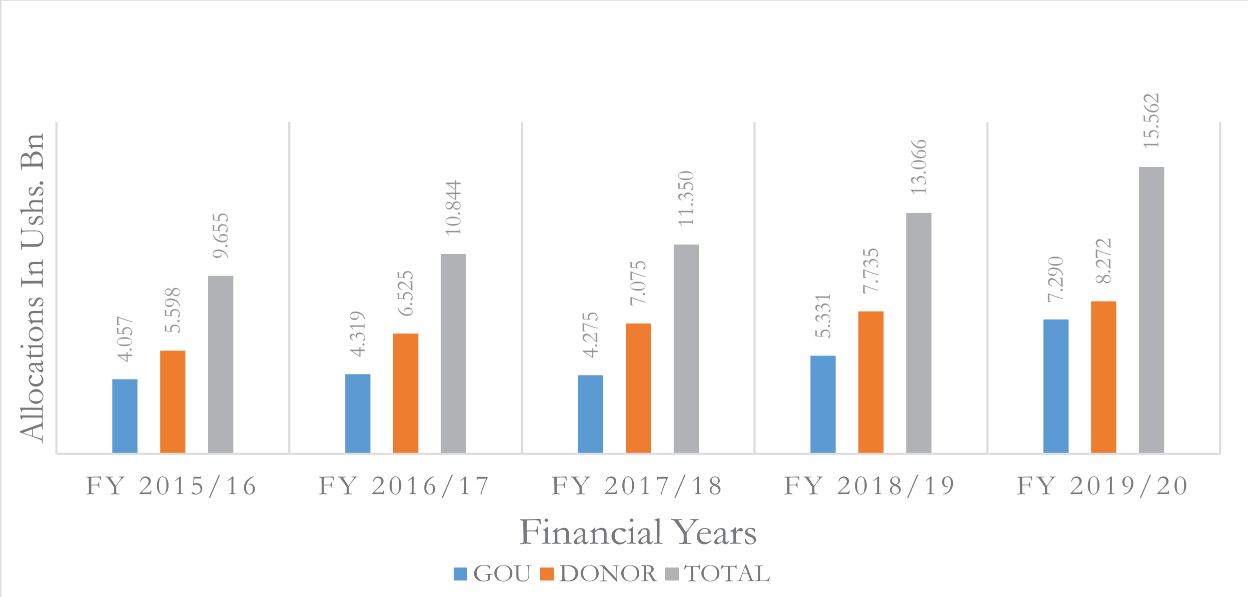
iii. Strengthening of capacity for PIMS across Government. Capacity building across MDAs was undertaken in during the Financial Year and will continue in FY 2020/21 to ensure that a critical mass of skills in PIMS is developed across Government. This will in the medium to long run help to ensure proper project identification, appraisal and implementation, and hence ensure better returns on investments.

iv. Public Investment Policy and Project Implementation and Evaluation Manual. The process for the development of the Public Investment Policy and Project Implementation and Evaluation Manual have started and these are expected to be concluded in FY 2020/21. Fast tracking the development of a comprehensive Public Investment Management (PIMS) policy, and the project implementation and evaluation manual are key in further strengthening the PIMS processes and systems in the country.

5.2.3 Performance of the Public Investment Plan (PIP)

The PIP for FY 2019/20 had 419 projects worth USHS 15,561.9 bn as indicated in Figure 5.3 below. During the Financial Year, a total of 132 projects worth USHS 1,326.68 bn were exited from the PIP. Of the exited projects, 93 projects worth USHS 930.016 were retooling projects originally aligned to the second National Development Plan (NDPII) time frame, which is expiring at the end of FY 2019/20. On the other hand, a total of 39 projects worth USHS 396.66 bn were under economic or social infrastructure. Figure 5.3 below provides details on the development budget allocations over the NDPII period.

Figure 5.3: The Development Budget funding allocation over the NDP II Period (FY 2015/16 to FY 2019/20)



Source: MFPED, March 2020

During FY 2019/20, a number of new projects were reviewed and appraised by the Development Committee in line with the PIMS processes. As of March, 2020, a total 239 new projects had been appraised by the Development Committee at various stages as contained in the Table 5.5 below. Of these, a total of 66 projects were at Concept, 29 at Profile; 8 at Prefeasibility and 1 at Feasibility, and a number of decisions were taken.

Accordingly, a total of 135 projects have been given project codes to enable access to funding in FY 2020/21. Of the new projects allocated codes, 107 are retooling, while only 28 are economic and social infrastructure projects.

Table 5.5: New Projects reviewed and appraised by the Development Committee in FY 2019/20 (excluding retooling projects)

Sector	Concept	Profile	Pre-feasibility	Feasibility Study	New Codes	Total
Accountability	1	1	0	0	9	11
Agriculture	9	2	0	0	5	16
Education	12	6	0	0	14	32
Energy and Mineral Development	5	3	0	0	8	16
Health	4	5	0	0	27	36
ICT and National Guidance	0	1	0	0	3	4
JLOS	0	0	0	0	14	14
Lands, Housing and Urban Development	0	0	0	0	2	2
Legislature	0	0	0	0	0	0
Local Government	3	1	0	0	2	6
Public Administration	0	0	0	0	7	7
Public Sector Management	1	0	0	0	6	7
Science, Technology and Innovation	7	1	2	0	3	13
Security	0	0	1	0	3	4
Social Development	1	0	1	0	2	4
Tourism	3	1	1	0	2	7
Trade and Industry	0	0	0	0	3	3
Water and Environment	3	0	0	0	12	15
Works and Transport	17	8	3	1	13	42
GRAND TOTAL	66	29	8	1	135	239

Source: MFPED, March 2020

Challenges in PIMS

Despite the improvements registered in public investment management during FY 2019/20, there are a number of challenges that continue to impede effective and efficient project implementation characterised by slow implementation of core infrastructure projects. Some of the major challenges include;

i) Uncoordinated implementation of public investments. There is a challenge in terms of stakeholder involvement in implementation of projects in line with the PIMS processes including project identification, preparation, appraisal, implementation, monitoring and evaluation. Some stakeholders within and across Sectors solely undertake PIMS processes without consulting all the relevant stakeholders. For instance, identification of electricity generation needs without the attendant transmission requirements, construction of roads without consulting the ICT and Water and Environment sectors among others for their needs to enable provision of road ducts. Certain project interventions/systems could be undertaken/developed concurrently without causing huge change to the existing ones. This has led to delays in the completion of projects and wastage of resources due to uncoordinated efforts.

ii) Delayed acquisition of right of way for infrastructure projects. Some infrastructure projects are fast tracked given their strategic nature without acquisition of the requisite right of way through compensation of project affected persons. This has stagnated many projects especially those involving external financing leading to high commitment fees and penalties.

iii) Inadequate technical capacity in the PIMS process. Government has a low base of PIMS experts required to undertake the critical processes of PIMS, more especially project preparation, appraisal and management of complex infrastructure projects. As such, a number of Sectors continue to take a long time preparing projects and/or engaging consultants to undertake feasibility studies. This not only delays commencement of strategic projects, but also leads to stagnation of interventions. Other projects also continue to commence without the requisite studies and designs leading to cost overruns and poor implemented project quality.

iv) Low absorption capacity by projects: Absorption of funds, more especially externally funded projects has remained a key challenge. A number of key reasons have been advanced for the low absorption of funds and slow implementation of projects, and these include; allocation of resources to projects in the national budgets before they are ready for implementation; inadequate counterpart funding and budgetary allocations to projects; Sectors are sometimes pushed by Development Partners to take on projects; delays in the disbursement for external financing; land acquisition challenges, and procurement process delays, among others.

PIMS Implementation in FY 2020/21 and the Medium term

Government will, in FY2020/21 and the medium term, continue to put in place strong mechanisms, including putting in place a standardized methodology of project appraisal. There is however need to keep momentum on the PIMS reforms and enforcement of regulations in order to promote sustainable economic growth and development. This will be in line with NDPIII target of enhancing the share of public investment as percentage of GDP from 8.93 percent in FY 2018/19 to 11.29 in FY 2020/21[110].

The following interventions are earmarked for public investment management systems moving forward.

i. Continuous cleanup of the Public Investment Plan (PIP) to ensure that largest share of projects in the plan increase the country's asset base;
ii. Fast track completion of the Public Investment Policy and Project Implementation and Evaluation Manual for which all PIMS processes and systems will be anchored;
iii. Continue to strengthen the capacity for PIMS across Government. Capacity building across MDAs will be undertaken to ensure that a critical mass of skills in PIMS is developed across Government; and
iv. Complete the development of the second phase of the Integrated Bank of Projects (IBP) covering project implementation, monitoring and ex-post evaluation.

5.2.4 Performance of Public Corporations and State Enterprises

Government maintains Public Enterprises (PEs) largely to support the provision of key services in the country at affordable rates particularly in areas where the private sector may not be able to mobilize resources to deliver those services at the required rates. Public Enterprises are classified in to two; Commercial Public Enterprises and Non Commercial Public Enterprises. Commercial Public Enterprises are required to operate in a profitable

[110] Draft Third National Development Plan (NDPIII)

manner and pay dividends to Government. Out of the 34 Public Enterprises, 29 are Commercial PEs while 4 are Non Commercial PEs. One PE (UTL) is not classified since it is under administration.

During the FY 2018/19, the PE sector generated an operating surplus of Shs. 585.391 billion compared to Shs.262 billion in FY 2017/18. The improved performance was mainly attributed to the outstanding performance in the electricity companies, particularly, Uganda Electricity Transmission Company and the Uganda Electricity Generation Company Limited. The performance was attributed to the increased sales following the testing and commissioning of the Isimba hydropower plant.

The PE sector's net worth on the other hand grew from Shs.7.9 trillion as at June 2018 to Shs.9.5 trillion as at June 2019 partly on account of the revaluation of assets of National Water and Sewerage Corporation resulting into a revaluation surplus of approximately Shs.970 billion.Out of the 34 PEs, 24 PEs made profits, 8 recorded losses and 2 PEs were not evaluated because they did not provide their audited financial statements on time.

Key among the PEs that registered losses are:

i) URC with a loss of Shs.40.6 billion (Shs.293 billion FY 2017/18)
ii) Uganda Coffee Development Authority with a loss of Shs.16.9 billion (56.6 billion FY 2017/18)
iii) Kilembe Mines Ltd with a loss of Shs.2.3 billion (Shs.1.6 billion FY 2017/18)
iv) Tropical Bank Ltd recorded a loss of Shs.5.78 billion (Shs.5.5 billion FY 2017/18) and;
v) Uganda Electricity Distribution Company Ltd recorded a loss of Shs.7.6 billion (Shs.6.7 billion FY 2017/18).

Certain key interventions have been initiated in the Electricity Sector to resolve a number of key pending matters impacting the performance of the sector. The pending matters included: Provision of depreciation and Return on Equity in the tariff approved by the Electricity Regulator, Conflict in tariff consideration provided for in the Generation License versus the Power Purchase Agreements, i.e., Energy versus Capacity tariff which has implications on the debt repayments by UEGCL, among others.

Efforts are underway to improve capitalization of Tropical Bank. In addition, there are ongoing investment negotiations to get shareholders to avail funding to URC and KML in order to rehabilitate the income generating assets that were taken over from the concessionaires to enable the entities generate sufficient operating revenues to cover their costs. Other PEs that require additional capital are Uganda Air Cargo Corporation and Posta Uganda Ltd.

Uganda Development Corporation

Uganda Development Corporation (UDC) is investment arm of Government for purposes of industrial and economic development of the country. The Corporation is 100 percent owned by Government of Uganda

With the coming into force of the UDC Act (2016), Government has undertaken a number of measures to grow the capital and assets of the Corporation. The net worth of the Corporation for the period ended December 2019 was USHS 156bn up from USHS 120bn in June 2019. The return on Government funds invested in UDC (return on equity) for the period ended June 2019 and December 2019 was 10 percent and 0.19 percent respectively.

UDC's RoE is still low due to the fact that most of the investments are in the development phase with a few at the start of commercial phase.

The total Assets of the Corporation increased by 27 percent from USHS 153bn in June 2019 (FY 2018/2019) to USHS 193.7bn during the semi-annual period ended 31st December 2019 (FY 2019/2020). This was due to increased investment in Subsidiaries.

During the period, UDC acquired an additional 8 percent shareholding in Horyal Investment Holding Company Limited (HIHC), the company implementing Atiak Sugar Factory. In addition, the Corporation made an additional investment in Soroti Fruits Limited (SOFTE) amounting to USHS 4.8bn. This was in line with the efforts to commercialize the Fruit factory through provision of working capital. The Corporation also purchased the 3rd CTC tea processing line for Kayonza Tea Growers Factory. The line has a processing capacity of 600kg/hr of readymade tea.

5.2.5 Socioeconomic Development Outcomes

Poverty, Inequality and Vulnerability

The most recent Uganda National Panel Survey (UNPS) 2018/19 indicates that chronic poverty has continued to decline, from 43 percent of the population in 2013/14 to 24.9 percent between 2015/16 and 2018/19. Income poverty has generally been on a downward trend in the period 1992/93 to FY2016/17 in spite of the latest increase in the poverty rate from 19.7 percent in 2012/13 to 21.4 percent in FY2016/17.

Regionally, Northern Uganda registered the highest poverty rate decline between 2012/13 and 2016/17. The share of population living below the national poverty line fell during this period from 43.7 to 32.6 percent, reversing the region's historical status of having the country's highest poverty rate. Regional poverty is now highest in the Eastern region (35.7 percent). Sub-regionally, poverty was spread unevenly with Karamoja (60.18 percent), Busoga (37.5percent) and Bukedi (43.7 percent) accounting for the highest poverty rates. Northern Uganda registered the fastest decline in poverty over the same period. Kampala (2.6 percent) and Ankole (6.8 percent) sub-regions had the least poverty rates.

However, despite the reduction in chronic poverty, there are still reversals from the non-poor to the poor categories. 22 percent of those that were non-poor in 2015/16 fell back to poverty in 2018/19, which is an indication of underlying vulnerabilities that the non-poor still face despite graduating to the non-poor category. Many households in Uganda face recurrent shocks, which increase the risk of them becoming poor. Vulnerability to poverty is highest in households engaged in agricultural activities as compared those engaged in other activities such as trade and services. Climatic changes, especially the inconsistent rainfall patterns in different parts of the country, partly explain the high levels of vulnerability in Uganda. However, households in the central region are less vulnerable than those in other regions, owing to the vibrancy of their economic activities.

At national level, the slight increase in poverty, in the latter period, was mainly attributed to adverse weather patterns; pests and diseases affecting animals and crops; and the deterioration in the quality and access to social services i.e. education and health. At household level, poverty could be associated with large family sizes, restricted education and subsistence farming. At regional level, the poorest sub-regions were mainly characterised by extensive subsistence farming, in contrast to the best performing sub-regions such as Lango, where the populace is engaged in commercial farming.

Households suffer other forms of deprivation besides income poverty. Most notable among these are access to an improved toilet facility (77.6 percent); Housing Material (65.1 percent); Electricity (61.3 percent); Overcrowding (48.7 percent); Asset Ownership (41.3 percent) and Financial Services (40.8 percent).

These different deprivations and vulnerabilities that households face require well designed Government programmes to help tackle poverty in all its forms. The draft Poverty Status Report (PSR), 2019 indicates that Government programmes such as extension of healthcare, education, water, financial services, and investment in roads and electricity have had a positive impact on household welfare. The exception is agricultural extension services, which are not having the desired impact on agricultural production. This may be attributed to the failure of farmers to adopt the recommended interventions in agriculture. Further analysis has also shown that close proximity to agro-processing factories in Bukedi, Bugishu, Acholi, Buganda, Ankole and Kigezi sub-regions reduced the incidence of poverty. On the other hand, the West Nile and Busoga sub-regions have shown that in spite of the presence of agro-processing factories, the incidence of poverty increased. The mixed results of agro-processing are attributed to the difference in crops and modalities adopted for the respective agro-industry.

Jobs and Incomes

Evidence from the 2016/17 UNHS indicates unemployment reduced to 9 percent in 2016/17 from 12 percent in 2012/13. It is however generally acknowledged that this decline in unemployment is coupled with a low grade of jobs and high vulnerability in employment. Out of more than 9 million people employed in Uganda in 2016/17, only 10 percent (slightly over one million) are formally employed. The rest of the labour force is employed in the informal sector. The UNHS 2016/17 findings also indicated that the Eastern region had the highest number of informally employed persons (50 percent), followed by the Northern region (45 percent), Western region (39 percent) and central Region (37 percent). This trend is reflected in the poverty numbers for the regions, with the Eastern region registering 40 percent poverty rate among the informally employed persons followed by Northern region at 36 percent, Western at 12 percent and Central at 11 percent.

The agriculture sector has the most vulnerable persons (71 percent), followed by Trade (9.2 percent) and Services (8 percent).[111] This is mainly driven by the structural rigidities in agriculture and lower average wages in the informal sector, compared to those under formal employment. With the exception of jobs in trade, transport and hospitality industries, the poverty rate among informal sector employees is higher than the national average. Agriculture has the highest poverty rates at 25 percent, followed by manufacturing at 19.3 percent. The high poverty rates are mainly explained by the lower average wages paid, particularly to the casual labourers. These jobs are usually contracted orally, with no sick and annual leave, and no social security. This increases the level of vulnerability and income inequality.

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[111] UNPS 2018/19

PAYE registered jobs increased by nearly half over the NDP II period. Registered individual tax payers have increased from one million in FY 2015/16 to nearly 1.5 million in FY 2019/20.
A breakdown of the PAYE Register shows that the majority of formal jobs are in the public sector (380,607) followed by education (153,549), manufacturing (115,146) and human health and social works activities (96,903). This indicates that the formalisation of employment in Uganda is performing lower than desired. It is also largely dominated by the public sector instead of the private sector, which is the biggest employer.

In the medium term, Government intends to carry out the following interventions through the NDP III, so as to improve the job prospects and incomes/welfare of Ugandans:
a) Enhance value addition in key growth opportunities;
b) Strengthen private sector capacity to drive growth and create jobs;
c) Consolidate and increase the stock and quality of productive infrastructure;
d) Increase productivity and well-being of the population; and
e) Strengthen the role of the State in development.

Longevity and Learning outcomes

Government has continued to prioritise the development and wellbeing of its people to ensure that they live full, productive lives. Human development has therefore been advanced in the country's development agenda in order to ensure that growth is truly inclusive, sustainable and leaves no one behind. In this regard, government has continued to prioritise social investments and identified human capital development as one of the key development fundamentals under NDPII.

While Uganda still falls in the low human development category, her Human Development Index (HDI) score improved from 0.516 in 2017 to 0.528 in 2018, ranking 159th out of 189 countries.[112] The HDI categorises countries based on three basic dimensions of human development: the ability to lead a long and healthy life, measured by life expectancy at birth; the ability to acquire knowledge, measured by mean years of schooling and expected years of schooling; and the ability to achieve a decent standard of living, measured by gross national income per capita. Uganda's score is above the average of 0.507 for countries in the low human development group but below the average of 0.541 for countries in Sub-Saharan Africa.

Uganda's life expectancy stands at 63.3 years, having gained 13 years since 2002. This is an indication that the quality of health in the country has improved. Infant, under-five and maternal mortality declined between 2011 and 2016 from 54 to 43 deaths per 1000 live births, 90 to 64 deaths per 1000 live births, and 438 to 336 deaths per 100,000 births respectively. In addition, Malaria cases per 1,000 persons per year reduced by 97 percent from 408 in FY 2015/16 to 14 in FY 2018/19, health facility deliveries increased by 5 percent from 55 to 63 percent over the same period. The population living within 5 km of a health facility also improved from 83 to 86 percent.[113]

Under skilling and learning outcomes, the literacy rate of persons aged 10 years and above currently stands at 74 percent, while total primary enrolment increased from 8.4 million in 2013 to 8.8 million in 2017 with secondary enrolment increasing from 1,362,739 to

[112] Human Development Report 2019
[113] Health Sector Performance Report 2018/19

1,457,277 over the same period.[114] Uganda's mean years of schooling improved from 5.8 in 2017 to 6.1 in 2018.[115] In a bid to improve the Business, Technical and Vocational Training (BTVET) skilling system, critical infrastructure for technical and vocational training has been built. By FY 2018/19, 55 percent of all districts had technical and vocational institutions. Consequently, enrolment into BTVET institutions stood at 129,000 in 2019, up from 109,305 in 2017.

5.3 PRIVATE SECTOR DEVELOPMENT

5.3.1 Performance of Private Sector Development under NDPII

During the NDP era, Government undertook reforms geared towards enhancement of private sector competitiveness in order to promote investment in Uganda. This was intended to deliver on the import subsitittion and export promotion strategies through accelerated industrialization. As such, the focus has been on boosting investments, enterprise development and industrialization. In order to realize these outcomes, the NDP II set out to achieve four key private sector competitiveness objectives. These include: increasing sustainable production, productivity and value addition in key growth opportunities; increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness; enhancing human capital development; and strengthening mechanisms for quality, effective and efficient service delivery. This is in line with NDP II theme of "Strengthening Uganda's Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth" and the 2017 National Development Strategy for Private Sector Development (NSPSD) vision of "A competitive and developing Private Sector that promotes inclusive growth for sustainable economic development".

Under the NDP II framework, Government committed to improve private sector competitiveness by delivering on the following targets;

i. Improve the ease of doing business ranking from 150/189 in FY2012/13 to 111/189 in FY 2019/20;
ii. Improve the Global Competitiveness Index from 123/148 in FY2012/13 to 90/148 in FY 2019/20;
iii. Increase the share of manufacturing to GDP from 8.0 in FY2012/13 to 14.0 to FY2019/20;
iv. Increase manufactured exports as a percentage of total exports from 5.8 percent in 2012/13 to 19.0 in FY2019/20;
v. Improve the Gross capital formation as a percentage of GDP from 25.5 in 2012/13 to 27.7 in 2019/20;
vi. Increase the total national paved road network (Km) from 3,795 in 2012/13 to 6,000 in 2019/20;
vii. Increase the percentage of cargo freight on rail to total freight from 12 in 2012/13 to 25.5 in 2019/20;
viii. Increase the percentage of the population with access to electricity from 14 in 2012/13 to 30 in 2019/20;
ix. Increase the consumption of electricity (Kwh Per capita) from 80 in 2012/13 to 578 in 2019/20

[114] Education Sector Statistical Abstract 2017
[115] Human Development Report 2019

The NSPSD 2017/18-2021/22 aimed at improving the coordination and delivery on the above targets. This strategy has been implemented during the NDP II period and the following results registered.

Business Environment

According to the World Bank Doing Business Report, 2020, Uganda ranked 116th out of 190 Economies, an improvement by 11 positions from 127th in the 2019 as indicated in table 5.6 below. Whereas this performance is short of the NDPII target of 111th/189 and that of the Ministry's National Strategy for Private Sector Development (95th/189), the target is expected to be achieved soon owing to further reforms undertaken in line with the NDP II priorities and objectives of the NSPSD.

The recent reforms have resulted in a number of improvements in in the following areas: Dealing with Construction Permits; Protecting Minority Investors; Resolving Insolvency and Getting Electricity. Further improvements require that efforts are put on indicators that ranked over the 100th position particularly, Starting a Business; Getting Electricity; Registering Property; Trading Across borders and Dealing with Construction Permits.

Table 5.6: Doing Business report in the past 2 years

Indicator	*2020*	*2019*	*Change*
Overall performance	116	127	+11
Starting a Business	169	164	-5
Dealing with Construction Permits	113	145	+32
Getting Electricity	168	175	+7
Registering Property	135	126	-9
Getting Credit	80	73	-7
Protecting Minority Investors	88	110	+22
Paying Taxes	92	87	-5
Trading Across Borders	121	119	-2
Enforcing Contracts	77	71	-6
Resolving Insolvency	99	112	+13

Source: Doing Business Reports, World Bank, 2019-2020

Competitiveness

In terms of global competitiveness, Uganda ranked 115th of 141 economies, with an overall score of 48.9 points out of 100 by the Global Competitiveness Index (GCI) in 2019 from 117th of 140 Economies in 2018. Uganda made improvements in Macro-economic Stability, Labour Market Conditions and Business Dynamism but declined in ICT adoption and Skills. The average across the 141 economies covered is 61 points, almost 40 points to the frontier (0-100). This global competitiveness gap is of even more concern as the global economy faces the prospect of a downturn on account of the Covid-19 pandemic. The score of 48.9 points is below the world average of 61 points from the frontier implying much effort is needed to catch up with the rest of the world. The table below summarizes the most pressing issues that need to be addressed as highlighted in red despite the improvements realized in the recent past.

Table 5.7: Global Competitiveness Report 2019

Indicators and pillars	Points from the frontier	Rank out of 141 economies	Points from world average
1. Enabling environment	**49.9**	**117**	**10.1**
1st Pillar: Institutions	48	101	12
2nd Pillar: Infrastructure	47.9	115	12.1
3rd Pillar: ICT adoption	29.4	125	30.6
4th Pillar: Macroeconomic stability	74.2	89	-14.2
2. Human capital	**47.6**	**120**	**12.4**
5th Pillar: Health	53.0	120	7
6th Pillar: Skills	42.3	122	17.7
3. Markets	**51.7**	**102**	**8.3**
7th Pillar: Product market	49.1	109	10.9
8th Pillar: Labour market	60.0	69	0
9th Pillar: Financial system	50.3	110	9.7
10th Pillar: Market size	47.4	86	12.6
4. Innovation ecosystem	**42.9**	**101**	**17.1**
11th Pillar: Business dynamism	56.4	91	3.6
12th Pillar: Innovation capability	29.5	111	30.5

Source: Global Competitiveness Report 2019, World Economic Forum

Informal Sector

The informal sector remains relatively large contributing over 52 percent of the country's GDP and employing over the 70 percent of the population According to UBOS, 27 percent of the informal sector is in agriculture, while trade and services comprise 24 per cent. Mining and quarrying, as well as fishing linger with 1 per cent each.

The major challenges impeding formalisation of the informal sector include among others:- delays in registration which are compounded by burdensome compliance procedures, complex tax regulations, corruption and cost of initial business registration, consequently discouraging entrepreneurs from formalising their businesses and making informality attractive. This impacts our global competitiveness ranking hence the need to further streamline business processes and procedures across Government in order to incentivise the informal sector to get more organised. For instance, Government over the NDP II period has put in place several funds to support entrepreneurs or businesses and formalisation makes it easy for them to take advantage.

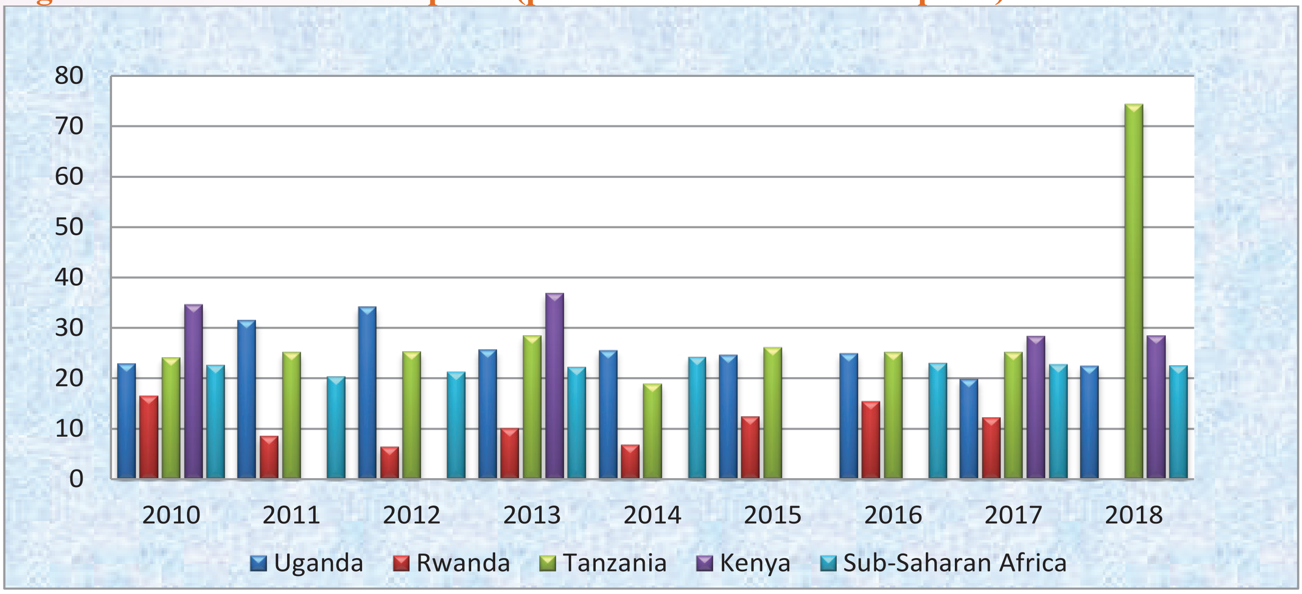
Government will continue the implementation initiatives aimed at the removal of bottlenecks and incentivizing formalization through reducing business formalisation costs, providing finance schemes to SMEs that support product development and agro-processing equipment, providing legal aid 'pro borno' to help SMEs with drafting of legal documents for registration, providing tax incentives that simplify VAT registration and waivers on withholding tax and having a one-stop center with all the above mentioned agencies in one place can go a long way in bringing about vibrant, dynamic and competitive SMEs as envisaged in the BuBu policy. For instance, the Judiciary establishment the Small claims' procedures to fast track suits below USHS 10,000,000 in value applicable to small businesses that would find main court systems expensive.

Export Development

According to the World Bank development indicators, Uganda's manufactured exports as a percentage of total exports averaged about 25.75 in 2018, up from 19.79 percent in 2017. This is above the NDP target of 19.0 in FY 2019/20. In the EAC region, Uganda lags behind

Kenya and Tanzania but is above Rwanda and the Sub-Saharan average of 22.35. Given the proposed fiscal stimuli owing to the Covid-19 pandemic, exports are expected to increase as Uganda exploits her competitive advantages.

Figure 5.4: Manufactures exports (percent of merchandise exports)



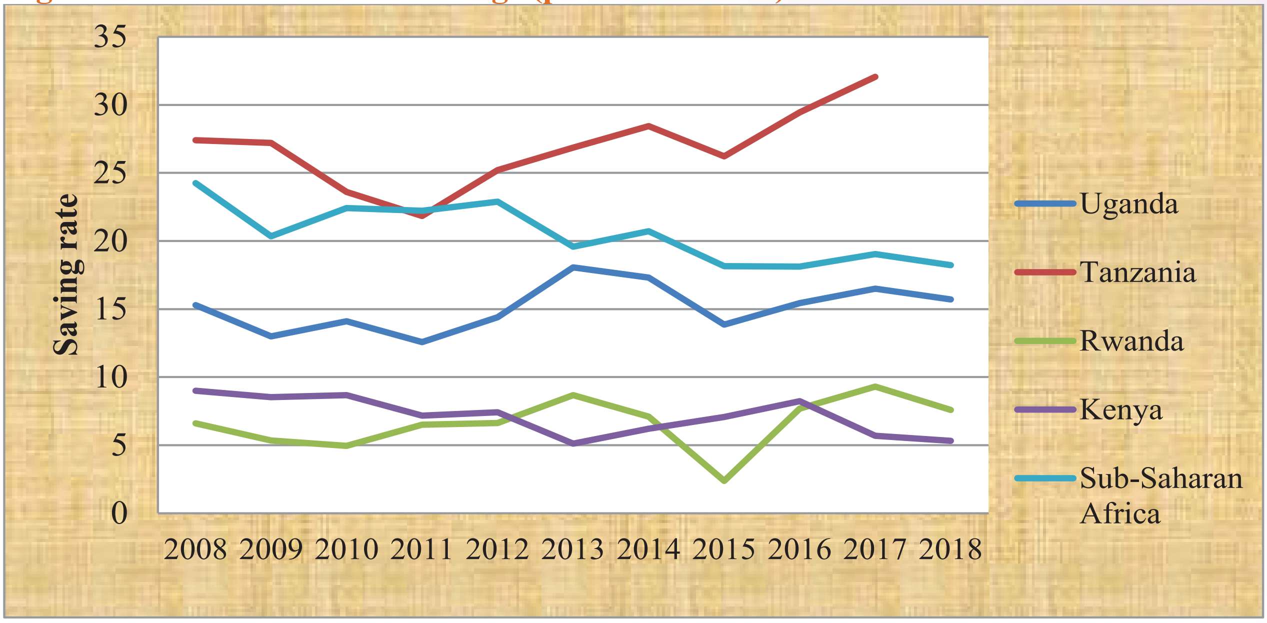
Source: World Bank Development Indicators

Savings and Investment

Savings are a vital component of private sector development because they determine the level of investment growth, which in turn, affects economic growth. These savings come from either domestic or external sources in the form of Foreign Direct Investment (FDI), Loans and Grants. As indicated in the Fig. 5.5 below, Uganda's domestic savings rate averaged 15.11 percent over the NDPII period with performance ranging from as low as 12.57 percent in 2011 to a high of 18.06 percent in 2013. Although above Kenya and Rwanda, this performance is still low compared to the Sub-Saharan Africa average of 20.54 percent, and the world average of 22.36 percent based on 139 countries.

The level of savings depends on the incomes earned by factors of production in the economy including wages for labour, rent for land, interest for capital. As discussed in the above sections, average incomes in Uganda, while improving, remain low to deliver the desired level of investment growth. Nominal per capital GDP in FY 20219/20 is projected at US$ 878 against an NDP II target of US$ 1,039, with food accounting for nearly half of all households' expenditure.

Figure 5.5: Gross domestic savings (percent of GDP) of EAC Partner States



Source: World Bank Data

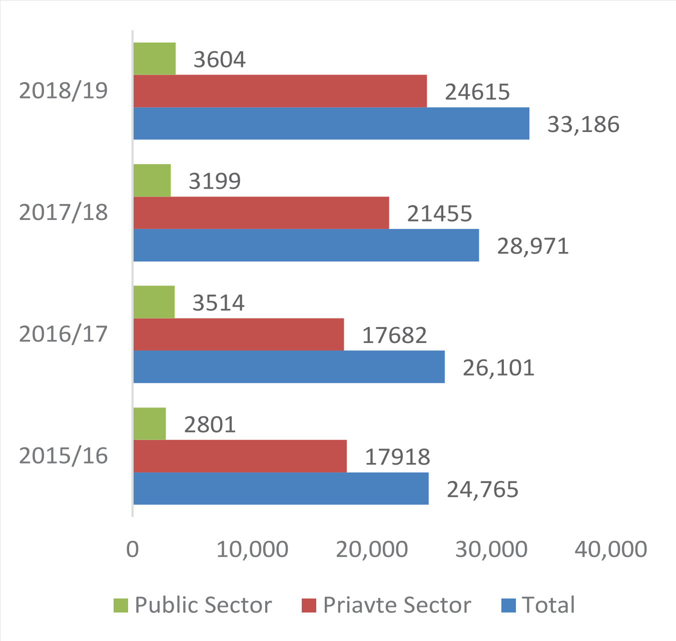
At a macro level, investment is measured in terms Gross Capital Formation which consists of three major components: capital formation (Gross Fixed Capital Formation); changes in inventories and acquisition less disposals of valuables.

The country registered a Gross Fixed Capital Formation (GFCF) rate of 25.8 percent in FY 2018/19 against an NDP II target of 27.7 by FY 2019/20. GFCF in Uganda picked up again in FY 2015/16, after a decline of about 1 percent in FY 2014/15. Since then, GFCF has increased by an annual average of 11.2 percent, reaching USHS 28,176 billion in 2018/19 (Figure 5.8a). This growth was driven by private sector GFCF which increased by 14.7 percent (from USHS 21,455 billion in 2017/18 to USHS 24,615 billion in 2018/19).

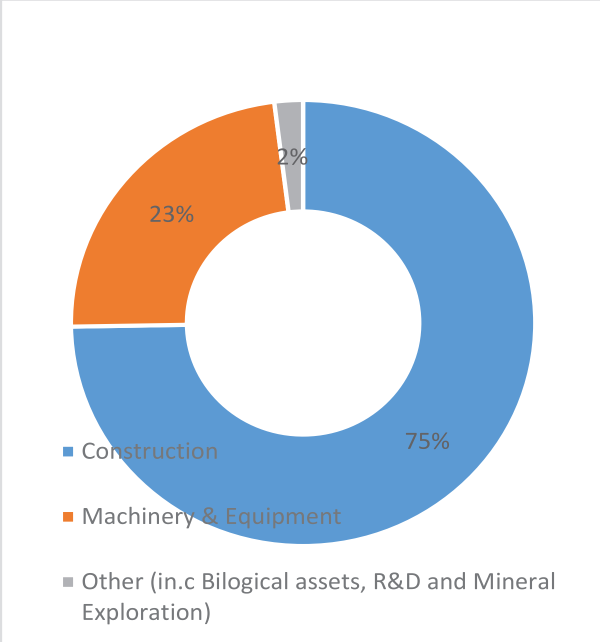
In terms of economic activities, Construction accounts for the largest share of GFCF (75 percent) in FY 2018/19 (Figure 5.8b). The proposed National Investment Policy, 2020 is partly aimed at reversing this trend by putting more emphasis on tradable sectors of the economy including plant and machinery.

Figure 5.4: Growth of GFCF, Sectoral Contribution to the Total GFCF and GFCF distribution over NDP II period

a) Sectoral contribution to GFCF over NDP II period



b) Allocation of the GFCF by activity for 2018/19



Source: Computation based on UBoS data, 2020

Foreign Direct Investment (FDI)

One of the major implications of the above trend and pattern of savings is that the economy remains significantly reliant on foreign savings to finance investment. One of the main forms of these external savings is FDI. Despite the decline in global capital flows in 2018[116], FDI inflows in Uganda grew by 66.6 per cent from $ 803 million in 2017 to US$ 1,337 million. This was registered at a time when the world's FDI flows were recovering from a sharp downturn of 23.4 percent and 13 percent recorded in 2017 and 2018 respectively. The FDI flows to Uganda has further grown "by almost 50 percent to $2 billion due to the continuation of the development of major oil fields and an international oil pipeline" UNCTAD, 2020[117].

The increasing rates of return on FDI are a key factor behind this positive performance. In 2017, Uganda's rate of return for inward FDI was at 26 percent, down from 34 per cent in 2016[118]. Although rates of return recorded in 2017 in Uganda were declining, it remains higher than the 8.2 and 6.8 per cent for LDCs and the world[119] respectively over the same period (Fig. 5.7). It should be noted that the return on investment has been declining in all regions, for instance, return on investment in Africa dropped from 12.3 per cent in 2012 to 6.3 per cent in 2017[120] before improving to 6.5 in 2018.

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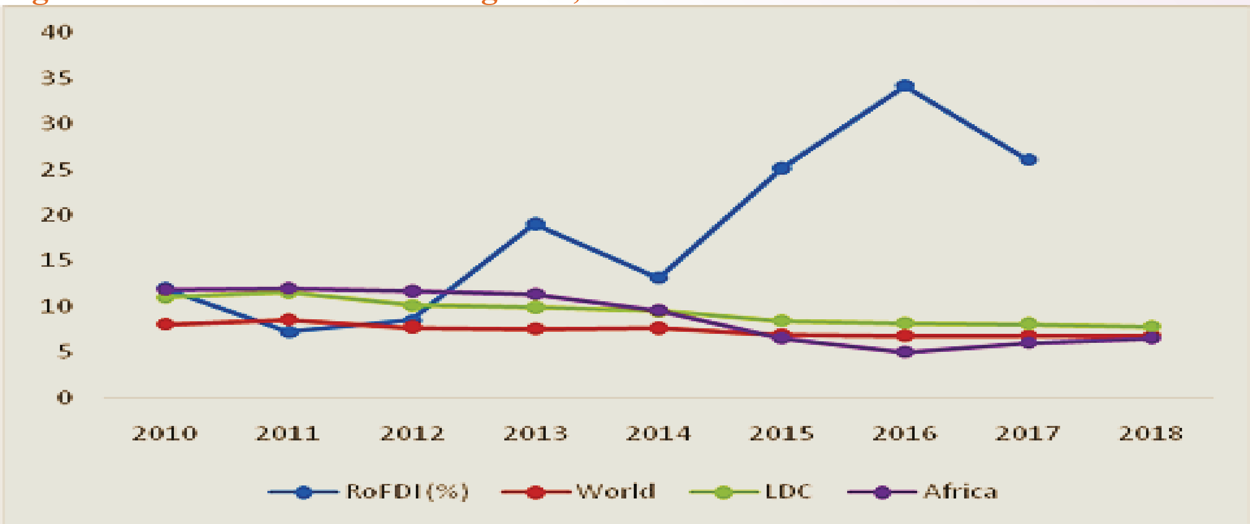
[116]World Investment Report 2019
[117]https://unctad.org/en/PublicationsLibrary/diaeiainf2020d1_en.pdf
[118] Private Sector Investment Survey Report, 2018
[119]World Investment Report 2018
[120]World Investment Report 2018

Figure 5.7: Return on FDI for Uganda, Africa and LDC



Source: World Investment Report 2019 & Private Sector Investment Survey Reports, (respective years)

Agriculture sector and manufacturing including food products, chemicals, mining & quarrying and agriculture account for a big share of FDI. The 2018 statistics indicate that these two sectors were followed by wholesale trade and transport services and Finance, Insurance, Real Estate and business services within the country. This indicates the strategic focus of the country since manufacturing and agriculture are some of the key priority sectors to steer Uganda's growth agenda for the medium-term. Table 5.8 below highlights the sectoral distribution of FDI in the country.

Table 5.8: Sectoral Distribution of FDI for 2018

Sector	No of projects	Amount (million USD)	Share (percent) in the total FDI
Agriculture, forest, fisheries and hunting	42	251.9	18.8
Construction	19	151.6	11.3
Manufacturing	139	360.3	26.9
Mining and quarrying	11	31.1	2.3
Finance, Insurance, Real Estate and business services	11	120.1	9.0
Community, Social and Personal services	6	5.2	0.4
Wholesale, retail trade, Tourism	10	6.6	0.5
Transport, communication & storage	18	57.6	4.3
Utilities (water & energy)	7	31	2.3
Total	**163**	**1015.5**	

Source: EAC Trade and Investment Report 2018

Financial Sector Development

The financial sector plays a critical role of intermediating savings and investment. The level of development of the financial sector accordingly determines the level and diversity of savings available for investment. Reforms in the financial sector have seen financial inclusion increase from 28 percent in 2009 to 58 percent in 2018. Much of the inclusion is driven by the use of payment services over the mobile phones, which are being used by 57% of the adult population in Uganda. The number of active mobile money accounts stood at 16.6 million in 2020 from 7 million in 2016. Further, in a bid to increase access to and use of financial services, government introduced the Uganda Agriculture Insurance Scheme (UAIS). By March 2020, 175,000 farmers were covered under this scheme, from 35,000 in 2018. The proportion of the banked population however remains low at 11 percent (2018).

Financing the agriculture and manufacturing sectors is a major consideration of how relevant the financial sector is to the country's sustainable development agenda. There has been mixed progress in this regard over the NDP II period. While the share of PSC to the agriculture sector increased from an average of 9.9 percent in FY2014/15 to 13.5 percent in FY19/20 (Q1-Q3 average), that of the manufacturing sector declined from 13.8 to 14.4 percent over the same period.

Table 5.9: Sectoral Shares of Credit to the Private Sector (in Total Lending)

	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY 19/20 (Q1-Q3)
Agriculture	9.88	10.02	10.70	12.29	12.66	13.49
Mining and Quarrying	0.39	0.54	0.54	0.59	0.74	0.51
Manufacturing	13.76	14.57	12.87	12.32	12.71	12.39
Trade	20.27	19.65	19.55	20.12	20.31	20.59
Transport and Communication	5.18	6.20	7.15	6.00	5.29	4.14
Electricity and Water	1.66	1.67	1.87	1.82	1.93	1.70
Building, Mortgage, Construction and Real Estate	22.66	23.08	21.68	20.49	20.22	20.45
Business Services	4.48	4.27	4.25	4.06	4.14	4.51
Community, Social & Other Services	3.36	3.27	3.38	3.75	3.45	3.55
Personal Loans and Household Loans	16.30	15.18	16.87	18.05	17.97	17.79
Other Services	2.06	1.55	1.13	0.53	0.58	0.88
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bank of Uganda

5.3.2 Private Sector Development Agenda under NDPIII

The NDP III Private Sector agenda builds on the achievements of the NDP II. In line with the vision 2040, the NDP III highlighted the need to directly invest in strategic areas to stimulate the economy and facilitate private sector growth as well as pursuit of a quasi-market approach, which includes a mix of Government investments in strategic areas and private sector market driven actions.

Despite the progress made in improving the competitiveness, the country failed to achieve the NDP II set targets on the GCI and EDB. Uganda's private sector remains relatively uncompetitive to sustainably drive growth. This is due to: (i) high cost of doing business, (ii) limited production and organisational capacity, (iii) absence of a strong supporting environment, (iv)weak enforcement of standards and the proliferation of counterfeits in the

market, and (v) inadequate strategic and sustainable government investments and partnerships with the private sector in key growth areas.
In order to address the above constraints, the NDP III objectives for private sector development are:

a) Sustainably lower the costs of doing business;
b) Promote local content in public programmes;
c) Strengthen the enabling environment and enforcement of standards;
d) Strengthen the role of government in unlocking investment in strategic economic sectors;
e) Strengthen the organisational and institutional capacity of the private sector to drive growth.

The key implementation reforms required to fully implement this programme and realize expected goals in the next five years are[121];

i. Improvement of tax policy in support of formalization of MSMEs.
ii. Simplification of business registration services at district level by restoring the commercial offices, making it easy to obtain goods market information and build MSMEs capacity.
iii. Digitization of business processes across all sectors geared towards formalization of businesses and reinforcing Domestic resource mobilization efforts.
iv. Building digital financial literacy for MSMEs and the informal sector players
v. Creating incentives for registration and reporting business progress.
vi. Empowering the one-stop centers already established at UIA to make prompt decisions on matters raised by the private sector without delays.
vii. Equitable treatment of local enterprises while competing for opportunities created by the investment code.
viii. Incentivizing existing public banks to widen the range of services and products that increase access to credit in priority sectors.
ix. Implementation of an incentives framework for certified institutions to provide training facilities for specialized skills (as centers of excellence) needed in key private sector activities using the National Human Resources Development Plan

Going forward, international competiveness is considered very important for accelerated industrialisation and tourism development. This has been identified as the route to integrating the economy into global value chains by promoting competitiveness of exports. Highlighted below are some of the strategic areas identified under NDP III for improving competitiveness:

i. Rising manufacturing activity for exports growth
ii. Increasing incomes from locally manufactured goods
iii. Government involvement in strategic sectors
iv. Policy incentives to direct FDI
v. Training Ugandans for a higher Human Development Index score
vi. Modernizing infrastructure
vii. Long-term financing
viii. Affordable energy
x. Local and international markets

[121] Draft NDP III, NPA 2020

CHAPTER 6: SECTOR PERFORMANCE FOR FY 2019/20 AND PRIORITIES FOR FY 2020/21

6.1: PUBLIC GOVERNANCE

NDP II identified an enabling environment as being critical for national competitiveness, and in holding together development interventions by both the public and private sector. The public sector provides services such as national defence; law enforcement; legislation; and civil service administration through different sectors under the Governance cluster. These sectors include Security; Legislature; Justice, Law and Order; Public Administration; Public Sector Management; and Accountability.

This Section discusses service delivery performance under the Public Governance Cluster during FY 2019/2020. The discussion also takes into consideration the Programme Based Approach adopted to planning as adopted in the third National Development Plan (NDP III)

6.1.1 Justice, Law and Order (JLOS)

FY 2019/20 is the third implementation year of the fourth Sector Development Plan (SDP IV). The Plan is designed to ensure that Ugandans live in a safe and just society. In addition, the SDP IV is geared towards increasing access to JLOS services, enhancement of infrastructure, strengthening commercial justice, promotion of human rights and the fight against corruption.

Under the NDP III programmatic approach, JLOS is clustered in the Governance and Security Programme, which aims at contributing to the objective of strengthening the public sector.

During FY 2019/20, the sector registered the following achievements:

Administration of Justice

(a) The Sector registered a reduction in the proportion of case backlog from 18 percent at the end of June 2019 to 17.2 percent by the end of December 2019. The total number of pending cases by April 2020 were 144,164, of which backlog cases were 24,796.[122]

(b) The Small Claims Procedure was rolled out in 17 Chief Magistrates Courts, namely; Bugiri, Sironko, Bubulo, Ssembabule, Rakai, Kalangala, Kumi, Dokolo, Katakwi, Kaberamaido, Bukedea, Ngora, Bududa Amolatar, Namayingo, Nakifuma and Nsangi. This aims to improve access to civil commercial justice for the poor, especially women.[123]

(c) Launched the Automation of case management systems at Uganda Registration Services Bureau (URSB), Directorate for Citizenship and Immigration Control (DCIC), National Identification and Registration Authority (NIRA), Office of the Director of Public Prosecutions (ODPP) and Judiciary. This has increased the level of case management automation from a baseline of 12 percent to 39.09 percent, representing a 225 percent increase. The second phase of rolling out the system to 20 other stations is underway. Furthermore, in the DCIC, automation of Work Permits,

[122] Ministry of Justice and Constitutional Affairs (April, 2020)
[123] Judiciary Ministerial Policy Statement for FY 2020/2021

Visas, special passes, and student passes granting process is complete, together with the upgrade to a full Border Management System.[124]

(d) In September 2019, the Judiciary unveiled a USHS 9 billion digital system to auto-track all case files during trial, and update relevant players on the progress of cases. The Electronic Court Case Management Information System (ECMIS) now provides a robust solution for automation of Court processes, including e-filing and e-payment of Court fees and fines.[125]

(e) The Sector also developed a Plea Bargain Manual to streamline procedures and processes that would be followed by prosecutors during the plea bargain process. Additionally, rules on handling court cases of persons with disabilities were also developed.[126]

(f) The use of non-custodial sentences and diversion of child cases has been emphasised in line with the Sector's Strategy to promote justice for children, contributing to a diversion rate of 76.2 percent. This translates into a 95 percent performance level against the 2020/21 target. The number of service points offering child-friendly services has also increased to 72 percent, according to the recently published National Governance Peace and Security Survey 2017[127]

(g) Concerning transitional justice, Cabinet considered and approved the National Transitional Justice Policy (NTJP) 2019. The NTJP is an overreaching framework of the Government of Uganda, designed to address justice, accountability, and reconciliation needs of post-conflict Uganda.[128]

Administration of Estates/Public Trustee

During FY2019/20, three Bills were passed and published under Administration of Estates/ Public Trustee with the following special provisions:

(i) Administration of Estates (Small Estates) (Special Provisions) (Amendment) Bill, 2019;

a) To provide that probate or Letters of Administration may be revoked for want of jurisdiction if it is discovered after the grant is awarded, that the actual value of the estate is greater than the value declared in the application, unless Court is satisfied that the interests of the beneficiaries would be prejudiced by the revocation.

b) To provide for increasing the monetary jurisdiction of the Magistrate Grade one courts from a maximum value of USHS 50,000 to a maximum value of USHS 20 million, and increase the monetary Jurisdiction of the Chief Magistrates Court from a maximum value of USHS100,000 to a maximum value of USHS 50 million.[129]

(ii) Administrator General's (Amendment) Bill, 2019;

a) Amending sections 2 and 4 of the Act to increase the value of estates from USHS 20,000 to USHS 150,000.

b) To remove widowers and widows and their attorneys from the category of persons who are exempt from giving the Administrator General notice of intention to apply to the High Court for Letters of Administration.

c) To give the Administrator General power to assume the administration of those estates where it is of urgent necessity for the preservation of the estates.

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[124] JLOS Annual Performance Report FY 2018/19

[125] www.judiciary.go.ug

[126] JLOS Annual Performance Report 2018/19

[127] JLOS Annual Performance Report 2018/19

[128] JLOS Annual Performance Report 2018/19

[129] http://extwprlegs1.fao.org/docs/pdf/uga119001.pdf

d) To amend the Act in respect of the requirement to give notice to creditors of estates and to claimants who cannot be traced.

e) To amend section 35 to emphasise that the costs, damages, interest and any related expenses of litigation in any suit against the Administrator General shall be charged to the Consolidated Fund, and that the bank accounts of the Administrator General shall not be subject to any attachment proceedings or to any attachment.[130]

(iii) Estates of Missing Persons (Management) (Amendment) Bill, 2019;

a) Clause 2 replacing clause 3, giving Court the discretion to determine who is fit to manage estates in the case of people who go missing without apportioning their descendant's properties.

b) Revision of the monetary jurisdiction of the Magistrates Courts to conform to the Magistrates Courts Act, 1971. Therefore, the Magistrate Grade 1 Courts will grant orders for estates with a total value of a maximum of USHS 20 million, up from a maximum value of USHS 50,000.

Legislative Drafting

By 31st March 2019, the First Parliamentary Council (FPC);

Published 18 Bills. These include:

The National Social Security Fund (Amendment) Bill, 2019; The Presidential Elections (Amendment) Bill, 2019; The Parliamentary Elections (Amendment) Bill, 2019; The Electoral Commission (Amendment) Bill, 2019; The Political Parties and Organisations (Amendment) Bill, 2019; The Local Government (Amendment) Bill, 2019; The Administrator General's (Amendment) Bill, 2019; The Administration of Estates (Small Estates) (Special Provisions) (Amendment) Bill, 2019; The Estates of Missing Persons (Management) (Amendment) Bill, 2019; The Probate Resealing (Amendment) Bill, 2019; The Succession (Amendment) Bill, 2019; The National Payment Systems Bill, 2019; The Uganda Red Cross Society Bill, 2019; The Employment (Amendment) Bill, 2019; The Patients' Rights and Responsibilities Bill, 2019; The Sexual Offences Bill, 2019; The Constitution (Amendment) Bill, 2019; and the National Health Insurance Scheme Bill, 2019.[131]

Published 14 Acts. These include:

The Human Rights (Enforcement) Act, 2019; The Stamp Duty (Amendment) Act, 2019; The Tax Procedures Code (Amendment) Act, 2019; The Excise Duty (Amendment) Act, 2019; The Income Tax (Amendment) Act, 2019; The Value Added Tax (Amendment) Act, 2019; The Mental Health Act, 2019; The Roads Act, 2019; The Uganda Wildlife Act, 2019; The Kampala Capital City (Amendment) Act, 2020; The Physical Planning (Amendment) Act, 2020; The Persons with Disabilities Act, 2020; The Law Revision Act, 2020; and the Cooperative Societies (Amendment) Act, 2020[132].

Published 25 Statutory Instruments. These included:

The Local Government (Declaration of Towns) Regulation, 2019; The Traffic and Road Safety Act (Speed of Motor Vehicle) (Temporary Maximum Speed Limit) (No. 4) Order, 2019; The Investment Code (Minimum Investment Capital Requirements) Regulations, 2019; The Electoral Commission (Appointment of Date of Completion of General Update

[130] www.parliament.go.ug
[131] Ministry of Justice and Constitutional Affairs (May, 2020)
[132] Ministry of Justice and Constitutional Affairs (May, 2020)

of the National Voters' Register) Instrument, 2019; The National Drug Policy and Authority (Fees) (Amendment) Regulations, 2019; and the National Drug Policy and Authority (Amendment of Schedule) Order, 2019.[133]
Issued 3 Legal Notices. These included: The Occupational Safety and Health (Appointment of Inspectors) Notice, 2019; The Employment (Appointment of Commissioner) Notice, 2019; and The Commission of Inquiry (Effectiveness of Law, Policies and Processes of Land Acquisition, Land Administration, Land Management and Land Registration in Uganda) (Amendment) Notice, 2019.[134]

Legal Advisory Services

By 31st March 2020, a total of 210 cases were filed against the Attorney General in various Courts of Judicature and Tribunals including: 3 Constitutional Petitions; 35 Civil Suits; 8 Civil Appeals; 118 Human Rights violations; 4 Arbitration Causes; 41 Miscellaneous Applications and Causes; 2 Labour Disputes; and 2 Electricity Tribunal Appeals, 1 at the Equal Opportunities Commission and 1 at the East African Court of Justice.[135]

Law and Order Enforcement

In 2019, there was a 9.8 percent decline in crime registration, due to the deliberate efforts by the Government and security agencies to fight crime. 215,224 cases were registered in 2019 compared to 238,746 cases registered in 2018. However, there was a relative increase in cases of homicides, cybercrimes and corruption related cases.

The leading crimes in the period under review were common assault, domestic violence, defilement, threatening violence, obtaining money by false pretence, criminal trespass, cattle theft, malicious damage to property, theft of cash, burglaries, child neglect, aggravated assault and thefts of mobile phones.[136]

Whereas there was an 11.4 percent decrease in defilement cases, a total of 13,682 children were defiled, majority of whom were girls. Concerning land-related cases, a total of 345 cases of land-related crimes were reported in 2019 compared to 478 cases reported in 2018, yielding a 27.8 percent decrease. In terms of the national distribution of crime in 2019, 54.7 percent (117,903) of all crimes were committed in rural areas, 41.3 percent (88,944) in urban centres while 4 percent (8,377) were committed along the highways. Defilement, thefts, burglaries, rape and murders were more rampant in rural areas while robbery, common assaults and aggravated assaults were common in urban areas.

The Uganda Police Force (UPF) and Uganda Prisons Services (UPS) as the Principal Law and Order Enforcement agencies achieved the following by end of Q3 FY 2019/20:

(a) The first phase of the National CCTV system was rolled out with 83 monitoring centers in Kampala Metropolitan Area (KMP) and 522 operators under 50 commanders.[137] Furthermore, in January 2020, the Police commenced installation of CCTV cameras in 20 Municipalities, 144 towns and all highways countrywide. The cameras were complemented by other measures that the Police drafted as a result of H. E. the President's strategic guidance on tackling crime[138].

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[133] Ministry of Justice and Constitutional Affairs Ministerial Policy Statement of FY 2020/21
[134] Ministry of Justice and Constitutional Affairs Ministerial Policy Statement of FY 2020/21
[135] Ministry of Justice and Constitutional Affairs Ministerial Policy Statement FY 2020/21
[136] Uganda Police Annual Crime Report, 2019
[137] www.jlos.go.ug
[138] www.upf.go.ug

(b) The Police revived and launched a magazine called 'Habari', aimed at addressing child safety in and outside schools.
(c) Uganda Prisons Services registered a decline in the recidivism rate from 15.6 percent to 15.3 percent. Furthermore, the Service registered a decline in the escape rate from 7.9 percent to 5.9 percent per 1,000 prisoners held.
(d) A mini-max security prison at Kitalya to accommodate 2,000 inmates (7,200M^2) and new prisons at Kyenjojo, Nwoya, Sheema and Mutuufu were constructed[139].
(e) The Prisons Services also reduced the proportion of the population on remand from 48.3 percent to 47.1 percent; the average length of stay on remand from 19.8 months to 18.1 months for capital offenders, and from 2.5 months to 2.2 months for petty offenders.[140]
(f) The construction of 220 staff housing units with sanitation facilities at Kitalya, Ragem, Amita, Mukuju and Bulaula by the UPS is ongoing.[141]

National Citizenship and Immigration Control

In an effort to facilitate, control and regulate citizenship and immigration services for the development of Uganda, the Directorate of Citizenship and Immigration Control (DCIC) registered the following achievements by end of Quarter 3 of FY 2019/20:

(a) Government of Uganda launched an online passport application system on 19th December 2019. The reform is expected to improve the processing of passport applications from 8 working days to 4 working days. A total of 97,856 citizens were issued with electronic passports by end of Quarter 2 of FY 2019/2020, against a target of 150,000 citizens in the period under review.[142] Also, DCIC upgraded the e-immigration system which housed the online citizenship application and the integration of the e-immigration system to the URA system, and completed the integration of the e-passport system with the e-citizenship online application system[143].
(b) Automatic Boarder Control (ABC) Kiosks/e-gates at Entebbe International Airport were installed to facilitate self-clearance of travellers. This will reduce the time taken to clear immigration processes at the airport.[144]
(c) The National Identification and Registration Authority (NIRA) registered and assigned National Identification Numbers to 374,692 adults and 348,385 children. Of these, 291,275 Identification Cards were printed by March 2020. Under Civil Registration, NIRA registered 159,031 births; 2,188 deaths and 40 adoption orders. Furthermore, 181,460 birth certificates; 4,319 death certificates; and 66 adoption certificates were issued.[145]
(d) A total backlog of 24,862 (3.7 percent) out of the 670,953 cases related to Citizenship Verification were cleared as part of electoral roadmap.[146]

Civil Liberties and Freedom

Under Article 52 (h), of the 1995 Ugandan Constitution, the Uganda Human Rights Commission (UHRC) is mandated to monitor Government of Uganda's compliance with

[139] Uganda Prisons Services Ministerial Policy Statement FY 2020/2021
[140] Uganda Prisons Services Q3 Performance Report FY 2019/2020
[141] Uganda Prisons Services Q3 Performance Report FY 2019/2020
[142] National Citizenship and Immigration Control Ministerial Policy Statement FY 2020/21
[143] National Citizenship and Immigration Ministerial Policy Statement FY 2020/21
[144] National Citizenship and Immigration Ministerial Policy Statement of FY 2020/21
[145] NIRA Q3 Performance Report FY 2019/2020
[146] NIRA Q3 Performance Report of FY 2019/2020

international treaties and conventions on human rights, and make recommendations to Parliament on effective measures for promotion and protection of human rights. In 2019, the UHRC released its 21st Annual Human Rights Report. The Report highligted major human rights issues in 2018 as: increasing cases of kidnaps; the plight of ethnic minorities in Uganda; insecurity in Karamoja sub-region; the 2018 Local Council I elections; Parliamentary human rights implications and the Commission's intervention; as well as the Bududa landslides.
Further, UHRC reviewed four Bills: the Administration of the Judiciary Bill, 2018; the Indigenous and Complementary Medicine Bill, 2015; the Data Protection and Privacy Bill, 2015; and the Sexual Offences Bill, 2015.[147]

By end of Q3 of FY 2019/2020, the UHRC:

(a) Had registered a total of 152 complaints. Of these, 86 complaints were registered by males, and 66 complaints were by females from the 10 regional offices through walk-ins; toll free lines; and community awareness meetings. In addition, a total of 883 complaints (536 by males and 347 by females) were referred to other institutions that could best handle them such as the Police; Judiciary; Anti-corruption Court; and IGG.[148]

NDP III (FY 2020/21-2024/25) Interventions

NDP III identifies good governance as one of the vehicles for accelerating development in Uganda. Through the Governance Programme, Government aims to improve adherence to the rule of law and capacity to contain emerging security threats. This will be achieved by undertaking the following interventions during the NDP III period:

a) Improvement of business processes within Government MDAs by developing and adopting a programme-wide integration approach for information sharing. This will start with critical public institutions such as NIRA and the frontline JLOS service institutions (Judiciary; Uganda Police Force; Uganda Prison Services, etc.);[149]
b) Strengthening the Policy, Legal, Regulatory and Institutional frameworks for effective governance and security;
c) Strengthening compliance and implementation of the Uganda Bill of Rights;
d) Finalising the construction of the JLOS House. This will save Government nearly US$ 7 million that is spent annually on rent. The JLOS House shall accommodate the following MDAs: Ministry of Justice and Constitutional Affairs; Ministry of Internal Affairs; Uganda Registration Services Bureau; Office of the Director of Public Prosecutions; Judicial Service Commission; Uganda Law Reform Commission; Tax Appeals Tribunal; Centre for Arbitration and Dispute Resolution and the High Court (Anti-Corruption, Land, Family and International Crimes Divisions);
e) Extending services closer to the population, especially widows and orphans, through the establishment of a regional office of the Ministry of Justice and Constitutional Affairs (MoJCA) in Masaka, with the capacity to house other sister institutions.[150] This will bring the total number of regional offices to seven;

[147] 21st Annual Human Rights Report, 2018
[148] Uganda Human Rights Commission Q3 Performance Report FY 2019/2020
[149] JLOS Annual Performance Report 2018/19
[150] Ministry of Justice and Constitutional affairs Ministerial Policy Statement FY 2020/21

f) Increasing Government representation in Courts of Law both at national and international levels. This will ultimately reduce the case load of each State Attorney;[151]
g) Finalizing the construction of Supreme Court and Court of Appeal building; and
h) Rolling out Performance Evaluation Tool (PET) and operationalize new gazetted Courts (High Court Circuits & Magisterial areas).[152]

6.1.2 Security

National Stability, Peace and Security

Peace and Security continue to be a crucial ingredient for economic progress in both the medium and long term. In FY 2019/2020, the Uganda People's Defence Forces (UPDF) continued to play its central roles of preserving, protecting and defending the sovereignty and territorial integrity of Uganda. This has established a stable, peaceful and conducive environment for industrial development, economic growth and improved socio-economic wellbeing of the citizens. The Security sector achieved the following by end of Quarter 3 FY 2019/20:

(a) A batch of over 6,370 LDU personnel were passed out at Kaweweta Recruits Training School in Nakaseke district.
(b) The Chief of Defence Forces (CDF) commissioned construction of a military hospital worth USHS100 billion on 4th January 2020, in an effort to improve the welfare of the army. The 250 bed facility is currently at 54 percent completion, and is intended to reduce on costs incurred in treating soldiers in private hospitals.
(c) Also, through the provision of goods and services to military staff and their families at a comparatively low price, the Ministry opened three new Defence Forces Shop (U) Ltd's branches in Arua, Lira and Kasese, bringing the total number of branches to 12 across the Country by the end of the first half of FY 2019/20.[153]
(d) UPDF launched the reserve forces mobilization and documentation exercise in November 2019, to address urban crime countrywide. This exercise was targeted to orient security stakeholders such as RDCs, RISOs, RPCs, Regional Reserve Force Commanders and coordinators of crime preventers. The exercise focused on reserve forces, including the Arrow Boys, Amuka Boys, Auxilliary forces, crime preventers and LDUs. [154]
(e) In order to improve UPDF's operational efficiency and effectiveness, 590 soldiers graduated from the Non-Commissioned Officers Academy (NCOA) at the Gadaffi Garrison. Of the 590 soldiers, 467 completed six months Senior Non-Commissioned Officers' (SNCO) course and 123 accomplished a four month level III Instructor's course. By the end of March 2019, the Ministry had trained 20,676 personnel. Of these, 146 personnel underwent training abroad, while 20,530 personnel were trained in local training schools.[155]

Regional Stability

Uganda continues to sustain greater contribution to regional conflict resolution, peace and security, through peaceful dialogue. Under the AMISOM Mission in Somalia, Uganda has successfully exerted significant pressure on the Al-Shabaab militia and succeeded in preventing them from escalating instability in Somalia. Within the EAC context, Uganda

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[151] Ministry of Justice and Constitutional affairs Ministerial Policy Statement FY 2020/21
[152] Judiciary Ministerial Policy Statement FY 2020/21
[153] Ministry of Defence and Veteran Affairs Ministerial Policy Statement FY 2020/2021
[154] https://www.softpower.ug/updf-mobilizes-reserve-force-in-bid-to-address-urban-crime
[155] Ministry of Defence and Veteran Affairs Ministerial Policy Statement FY 2020/21

continues to play an active role peace and security as well as conflict resolution through peaceful dialogue.

The following milestones were achieved by Q3 of FY 2019/20:

a) UPDF trained and deployed two battle groups of 3,902 and 1,250 personnel in Somalia for AMISOM operations.[156]
b) Cabinet approved the establishment of the Eastern Africa Fusion and Liaison Unit (EAFLU) in Uganda, in line with a resolution on Peace and Security Council of the African Union. The Unit is an intelligence-gathering centre established to support and facilitate regional security cooperation initiatives to curb transnational crime in Uganda (host nation), Burundi, Djibouti, Ethiopia, Kenya, Rwanda, South Sudan, Sudan and Tanzania.
c) Uganda hosted the Heads and Directors of Military Intelligence from the EAC Partner States in September 2019. The meeting highlighted the need to design a security architectural plan aimed at improving regional security, strengthen regional cooperation and sustainable development within the EAC.[157]

NDP III (FY 2020/21-2024/25) Interventions

NDP III highlights sustainable peace and security as one of the key achievements registered by the Ugandan Government over the last decade. Through the Governance and Security Programme of the NDP III, Government aims to improve adherence to the rule of law and capacity to contain emerging security threats. Government intends to achieve this through the following priorities and interventions, among others:

a) Develop an Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) capability, geared towards improving gathering of security information[158];
b) Establish the National Service to provide the bedrock for the Uganda's national defence and security. It will also provide the youth, especially the males, with opportunities for personal growth;
c) Enhance security infrastructure through development and maintenance of the Air Force Infrastructure Radar system, Nakasongola airbase core infrastructure (Fire Station, Control Tower, Hangars, aircraft landing and navigation equipment) and renovation of Nakasongola staff quarters; and
d) Construct 35,000 units for the UPDF, in order to improve the welfare of army personnel. The Units will phase out traditional army houses (unipots) that have been synonymous with the UPDF and other security establishments.

6.1.3 Public Sector Management

Public Sector Management (PSM) is a key function for efficient and effective management of public service delivery. It entails the establishment of institutions, structures, systems, formulation and enforcement of policies, laws, regulations, standards and procedures**.** Under the NDP III (FY 2020/2021-2024/2025), PSM is embedded in the Public Sector Transformation Programme, whose main goal is to improve public sector response to the needs of the citizens and the private sector.

Policy and Regulatory Management

By the end of Quarter 3 of FY 2019/2020, the Office of the Prime Minister (OPM) had achieved the following milestones:

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[156] Ministry of Defence and Veteran Affairs Ministerial Policy Statement FY 2020/21
[157] https://www.softpower.ug/gen-mugira-calls-for-information-sharing-at-eac-intelligence-chiefs-meeting-in-uganda/
[158] National Budget Framework Paper FY 2020/2021

(a) Efficiently coordinated the legislative agenda that was instrumental in passing of 4 Bills, i.e. the Anti-Money Laundering (Amendment) Bill, 2019; the Law Revision (Penalties in Criminal Matters) Miscellaneous (Amendment) Bill, 2015; the Supplementary Appropriation Bill, 2019; and the Law Revision Bill, 2019; and

(b) Reviewed implementation progress of Presidential Investors' Round Table (PIRT) phase six recommendations for all the six thematic areas (Oil and Gas; Minerals Value Addition; Agricultural Value Addition; Tourism; Transport and Logistics, and Competitiveness and Ease of Doing Business).[159]

Effective Service Delivery

Article 108A of Uganda's constitution mandates Office of the Prime Minister (OPM) to coordinate and implement Government policies across Ministries, Departments and other Public Institutions. In addition, OPM is tasked to monitor and evaluate Government-aided programmes being implemented at both local and national levels.

By end of Quarter 3 of FY 2019/20, the following milestones were achieved under this function;

(c) Efficiently coordinated the legislative agenda that was instrumental in passing of 4 Bills, i.e. the Anti-Money Laundering (Amendment) Bill, 2019; the Law Revision (Penalties in Criminal Matters) Miscellaneous (Amendment) Bill, 2015; the Supplementary Appropriation Bill, 2019; and the Law Revision Bill, 2019.

(d) Reviewed implementation progress of Presidential Investors' Round Table (PIRT) phase six recommendations for all the six thematic areas (Oil and Gas; Minerals Value Addition; Agricultural Value Addition; Tourism; Transport and Logistics, and Competitiveness and Ease of Doing Business).[160]

(e) Launched the Apex Platform aimed at ensuring efficient implementation of demand-based projects and effective Project Management. This monitoring platform aims to improve participation of non-state actors such as academicians, researchers and development partners in Government implementation architecture, facilitate utilization of evidence-based action and promote good governance practices to Uganda's development challenges.

Disaster Preparedness and Refugee Management

Through disaster preparedness and refugee management services, government seeks to strengthen capacities for mitigation, preparedness and response to natural and human induced disasters as well as enhance national response capacity to refugee emergency management.

Uganda has become one of the largest refugee-hosting countries in Africa, following the escalation of conflicts in neighbouring countries. Uganda had a total of 1,423,377 registered refugees by 31st March 2020.[161]

By end of Q3 FY 2019/20, the following milestones were attained;

(a) In July 2019, H. E. the President launched a 10-year Bulambuli Resettlement Project in Eastern Uganda to provide shelter to persons affected by land-slides in the districts of Bududa, Bulambuli, Sironko, Manafwa and Namisindwa. With a target of resettling 10,000 people per year, the project comprises of 101 housing units located

[159] www.opm.go.ug
[160] www.opm.go.ug
[161] UNHCR, Office of the Prime Minister (https://data2.unhcr.org/en/country/uga)

in Bunambutye Resettlement Camp (Bulambuli District). Construction works were carried out jointly by the UPDF Engineering Brigade.[162]

(b) Received and resettled 71,367 refugees of which 37,110 were females and 34,257 were males. 9,509 new refugee asylum claims for Refugee Eligibility Committee (REC) hearing were further processed, where 4,028 individuals were granted refugee status.[163]

(c) Constructed 140 housing units for resettling 1,250 people living at the risk of landslides in the five disaster-prone districts of Bududa, Manafwa, Namisindwa, Sironko and Bulambuli.[164]

Development Planning

In strengthening one of its key functional roles of coordinating and harmonizing development planning in the country, National Planning Authority (NPA) finalized production of the NDP III (FY 2020/21-FY 2024/25), which was approved by Parliament. In addition, NPA finalised production of the Human Resource Plan FY 2020/21 – FY 2024/25, the NDP III Macroeconomic Framework, and NDP III Projects Investment Plan (PIP FY2020/21-FY 2024/25)[165].

NPA also held the 10th National Development Policy Forum (NPDF) under the theme 'Taking Stock of Gains, Challenges and Lessons from the Comprehensive Evaluation of the Universal Primary Education Policy', on the 24th October 2019. The Forum provided the public a platform to unreservedly discuss and debate national development issues that are critical to the successful realization of Vision 2040.[166]

NPA further finalized the Certificate of Compliance assessment of the National and Sectoral Budgets for FY 2019/20. The Annual Budget for FY 2019/2020 was considered to be less compliant (59.7 percent) compared to that of FY 2018/19 (60 percent). In FY 2019/20 assessment, Macro level compliance declined to 44.5 percent from 54.1 percent in FY 2018/19, National level compliance improved to 72.3 percent from 62.8 percent in FY2018/19, Sector Level compliance remained nearly the same at 58.4 percent for both years, and Local Governments compliance declined to 64.8 percent from 66.4 percent in FY2018/19.[167]

In the forthcoming NDP III (FY 2020/2021-2024/2025), Public Sector Transformation has been identified as a Programme. The Goal of the programme is to improve the public sector's responsiveness to the needs of citizens and the private sector. The key objectives under the programme are to increase the Government Effectiveness Index from -0.52 to 0.01; reduce corruption as measured by the Corruption Perception Index from 26 to 35 percent; and increase the attractiveness of Uganda as an investment destination based on the measure of the Global Competitiveness Index[168].

NDP III highlights key interventions of the Programme and these include: strengthening public sector performance management; implementing the recommendations on harmonization and restructuring of institutions; reviewing and developing management and

[162] www.opm.go.ug
[163] Office of the Prime Minister Ministerial Policy Statement FY 2020/2021
[164] Office of the Prime Minister Ministerial Policy Statement FY 2020/2021
[165] National Planning Authority Ministerial Policy Statement FY 2020/2021
[166] www.npa.go.ug
[167] Certificate of Compliance for the Annual budget FY 2019/20
[168] National Development Plan III FY 2020/2021- FY 2024/2025

operational structures, systems and standards; and rationalize and harmonize policies to support public service delivery.

Under the Public Sector Transformation Programme, Government aims to undertake the following over the NDP III period;

(a) Continued resettlement of people living at risk of landslides, IDPs across the country, as well as refugee and asylum seekers[169].
(b) Implementation of the Settlement Transformation Agenda (STA) for both refugees and host communities, with a focus on improving livelihoods (Agriculture Transformation); infrastructure development; environmental protection; land management; Governance and peace-building.

6.1.4 Public Administration

The sector's Development Plan 2015/16-2019/2020 maps out strategies to effectively and efficiently allocate resources, and effectively coordinate implementation of priority programs to reduce duplication of efforts.

Regional and International Meetings

Government, specifically through Office of the President, has played a pivotal role in strengthening regional and international ties by participating in both regional and international meetings, as well as hosting various Heads of State.

By Quarter 3 of FY 2019/2020 the following were achieved:

a) Uganda participated in the 74th Session of the United Nations General Assembly, which formally endorsed Uganda to host the 3rd South-South Summit themed 'Leaving No One Behind' in April, 2020. Some of the key high-level issues discussed during the Assembly included Universal Health Coverage (UHC); Climate Action; Financing and Implementation of the Sustainable Development Goals (SDGs); and progress in addressing the priorities of small Island developing states[170].

b) Government signed 14 Memoranda of Understanding (MoU). These included:
    a. An MoU on establishment of a political consultation mechanism with the Republic of Ireland.
    b. An agreement on cooperation in the field of nuclear energy for peaceful purposes with the Russian Federation.
    c. Three MoUs on cooperation in the areas of Immigration, Agriculture, and correctional/ Prisons Services with the Republic of Tanzania.
    d. Four MoUs on Mutual Waiver of Visa requirements for holders of Diplomatic and Official/Service Passports.
    e. Mutual legal assistance in criminal matters & extradition; and Correctional/Prison Services with Ethiopia.
    f. Three agreements on general framework cooperation; Waiver of Visa Requirements for holders of Diplomatic and Official/Service Passports; and Political Consultations with Sierra Leone.
    g. An agreement in support of the Karamoja – Turkana and West Pokot cross-border programme for sustainable peace and development with Kenya;

[169] Office of the Prime Minister Ministerial Policy Statement FY 2020/2021
[170] Ministry of Foreign Affairs Ministerial Policy Statement FY 2020/2021

h. An agreement on ceasing hostilities between Uganda and Rwanda, which was facilitated by Angola and DRC.[171]

c) In an effort to promote Uganda's trade and investment opportunities, Government participated in 10 regional and international economic and business engagements. Among the engagements were the 31st Annual Uganda North American Association (UNAA) Convention and Trade Expo in Chicago, USA; the 9th Uganda – UK Trade & Investment Convention in London, UK; the 3rd Uganda Netherlands Business Convention (UNBC) in the Netherlands; the Uganda-Ireland Trade, Tourism and Investment Forum in Dublin; TICAD VII Summit in Japan; the 7th Global Infrastructure Cooperation Conference in Seoul, South Korea; the Malay Chamber of Commerce and Industry Perak-Uganda Trade Gateway in Malaysia; the 2nd Africa-Japan Public-Private Conference for high quality infrastructure in Yokohama, Japan; the Trade and Business Facilitation Symposium in Mombasa; and the Joint Business Forum held in Tanzania.

d) On the 18th January, 2020, Uganda attended a two-day France–Africa Summit in Lome, Togo on drug trafficking and counterfeit medicines on the continent. The Summit was an initiative of the Brazzaville Foundation; a charity organization based in the United Kingdom. At the Summit, H. E. the President, together with other six African leaders from Republic of Congo, Gambia, Ghana, Niger, Senegal and Togo, signed the Lome Initiative geared towards ending trafficking and use of fake drugs.[172]

e) With the revival of Uganda Airlines, Government through Ministry of Foreign Affairs, (MoFA) coordinated the designation process of Uganda Airlines by ensuring that the scheduled commercial flights to Kenya, Tanzania, Burundi, South Sudan and Somalia are undertaken in accordance with the Bilateral Air Services Agreement (BASA) between Uganda the aforementioned countries.[173]

f) Furthermore, H.E. the President attended the UK–Africa Investment Summit (UK-AIS) together with 21 other African leaders on 20th January 2020. Uganda's participation was to provide a platform to create new and lasting partnerships aimed at delivering more investments, jobs and growth between UK and Uganda. UK companies and the Ugandan Government signed deals including £185 million contract for Lagan Group to upgrade Kampala Industrial Business Park; and an £80 million deal for Nexus Green to supply solar-powered water pumping systems for irrigation in Uganda. Unatrac also signed £1.5 million export contract to supply machinery for Ugandan roads.[174]

g) H.E. the President opened the 10th Anniversary FAO China South-South and Triangular Cooperation conference themed 'Inspiration, Inclusion, and Innovation'. The conference achieved the following:
   i. Establishment of China-Uganda Agricultural Cooperation Industrial Park (CUACIP) worth US$ 220 million in Luwero and Kalungu districts under Kehong investors; and

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[171] Ministry of Foreign Affairs Ministerial Policy Statement FY 2020/2021
[172] http://statehouse.go.ug/media/news/2020/01/18/president-togo-france-africa-summit
[173] Ministry of Foreign Affairs Q_1 performance Report 2019/2020
[174] http://statehouse.go.ug/media/news/2020/01/21/president-calls-trade-investment-uk-africa-summit

ii. Provided support towards the introduction and production of highly nutritious and yielding Chinese foxtail millet variety in the country.

h) Uganda participated in the 33rd African Union Summit themed 'Silencing the guns by 2020' in Addis Ababa, Ethiopia. In addition, the 36th Ordinary Session of the African Union (AU) Executive Council that comprises of Ministers of the 55-member pan-African bloc took place in the framework of the Summit. 'Silencing the guns by 2020' was adopted by the AU Heads of State as a flagship project of the Agenda 2063, and a blueprint for prosperous and peaceful Africa by 2063.

i) In addition, MoFA led a business delegation of 20 private sector players for a business meeting with the Government of Congo Brazzaville. Arrangements were put in place to start exports of 6 products including beef, manufactured textiles, fish, minerals timber and paper.[175]

j) Uganda hosted the Uganda-DRC Joint Business Forum under the theme 'Promoting Bilateral Trade, Investment and Connectivity for Mutual Peace and Prosperity'. The Forum provided a platform to the business communities from Uganda and the Democratic Republic of Congo (DRC) to share experiences; create business to business networks; identify opportunities; and challenges of on-going trade and investment.[176]

k) In an effort to promote Trade, Investment and Tourism, Uganda signed an MoU with the Africa Export-Import (Afri-Exim) Bank. The Bank is set to open a branch in Kampala to cater for the East African region operations.

l) H. E. the President participated in the 'Quadripartite Summit' in Luanda, Angola that sought ways to resolve the sticky issues affecting the relations between Uganda and Rwanda.[177]

National and District Elections

The Electoral Commission (EC) conducted various activities across the country from November 2019 to March 2020, which included verifying the particulars of voters in the national Voters' Register at the village level and identifying all persons with disability (PWDs) in each village. The verification and identification exercise was conducted in 34,344 polling stations countrywide[178]. The EC also demarcated electoral areas and re-organized polling stations countrywide.

In addition, EC conducted interim elections for District Chairpersons in the newly created districts of Kazo, Karenga, Kitagwenda, Rwampara, Obongi, Kalaki and Madi-Okollo[179].

By end of Quarter 3 of FY 2019/20, the EC had conducted by-elections for the Chairperson for Nebbi District; Woman Representative to Parliament for Hoima District; and Woman Representative to Parliament for Kaabong District.[180]

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[175] Ministry of Foreign Affairs Ministerial Policy Statement FY 2020/2021
[176] Ministry of Foreign Affairs Q2 performance report 2019/2020
[177] State House Q3 performance report 2019/2020
[178] https://www.ec.or.ug/news/ec-concludes-display-national-voters-register
[179] Electoral Commission Ministerial Policy Statement FY 2020/2021
[180] https://www.ec.or.ug/

NDP III Interventions

NDP III classifies the Public Administration sector under the Regional Development Programme. The goal of the programme is to accelerate equitable, regional economic growth and development.

Government plans to undertake the following policy objectives and investment plans under the Regional Development Programme during NDP III period (FY 2020/2021-FY 2024/25):

a) Promote regional and international peace and security, especially by mediating in conflict situations within the region;
b) Observing peaceful elections in neighbouring countries;
c) Commissioning of the Nile Basin Commission and conclude the Nile Basin Agreement;
d) Managing strategic and shared natural and infrastructure resources; and
e) Demarcation of Uganda's Border for regional stability.[181]

6.1.5 Legislature: Parliamentary Representation, Oversight and Legislation

The 1995 Constitution empowers Parliament 'to make laws on any matter for the peace, order, development and good governance of Uganda' and 'to protect the Constitution and promote democratic governance in Uganda'. The sector plans to ensure that the legislative process in Parliament, scrutiny and quality of legislation is enhanced arising from the notable low participation of the public to the consultation process during consideration of Bills[182].

By April 2020, the 10th Parliament achieved the following;

(a) 19 out of the 20 planned Bills were passed. These included the Institute of Parliamentary Studies Bill, 2019; the Physical Planning (Amendment) Bill, 2018; the Law Revision Bill, 2019; the Supplementary Appropriation Bill, 2019; the Law Revision (Penalties in Criminal Matters) Miscellaneous (Amendment) Bill, 2015; the Kampala Capital City Authority (Amendment) Bill, 2015; the Anti-Money Laundering (Amendment) Bill, 2019; the Landlord and Tenant Bill, 2018; the Genetic Engineering Regulatory Bill, 2018; the Stamp Duty (Amendment) Bill, 2020; the Excise Duty (Amendment) Bill, 2020; the Income Tax (Amendment) Bill, 2020 and the Tobacco Control (Amendment) Bill, 2020.

In addition;

(b) Nine Committee Reports were debated and adopted.
(c) Twenty seven resolutions on motions were passed.
(d) Forty five Ministerial Policy Statements were presented and debated.
(e) Twenty nine oversight field visits were undertaken.
(f) Four hundred and nine oral questions were responded to.[183]
(g) In order to strengthen the linkage between the Local Governments and the Legislature, Parliament developed an application to strengthen citizen participation in Parliamentary business, and continuous engagement with the Local Councils countrywide[184].

Over the NDP III period (FY 2020/2021-2024/2025), the Legislature sector aims to;

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[181] Ministry of Foreign Affairs Ministerial Policy Statement FY 2020/2021
[182] National Budget Framework Paper of FY 2020/2021
[183] Parliamentary Commission Ministerial Policy Statement FY 2020/2021
[184] Parliamentary Commission Q_2 Performance Report FY 2019/2020

(a) Fast-track construction and completion of the new Parliamentary Chambers, to ensure a conducive working environment for Members of Parliament (MPs) in effectively and efficiently performing their respective duties.

(b) Enhance ICT infrastructure and uptake, Internet Usage, Website Management, Software acquisition and maintenance, and ICT training of MPs and staff. In addition, carry out digitization of all Parliamentary Information for easier storage, access and transmission.

(c) Develop a resource strategy and mechanisms to support evidence-based oversight for efficient and effective service delivery in the country.[185]

6.1.5 Accountability

The main objective of the sector is to mobilise, manage and account for the use of public resources with the aim of facilitating delivery of equitable and quality services to Ugandans. The Accountability Sector is central to the National Development Plan Implementation Programme in the forthcoming NDP III. The programme goal is to increase efficiency and effectiveness in the implementation of NDP III. In addition, the sector's mission is to promote efficiency and effectiveness in mobilization and utilization of public resources.

The Accountability Sector focusses on three main outcomes i.e. sustainable macroeconomic stability; fiscal credibility and sustainability; and value for money in the management of public resources. The sector is divided into two sub-sectors: Economic and Financial Management; and Audit.

Economic and Financial Management

This sub-sector focuses on ensuring sustainable macroeconomic stability. Its objectives are to increase domestic resource mobilization; increase access to finance; increase private investments; reduce interest rates; improve Public Financial Management and consistency in the Economic Development Framework; increase insurance penetration; increase national savings to GDP ratio; increase the level of capitalization and widen investment opportunities in the capital market; and improve statistical data production and policy research.

In FY 2019/20, the following achievements were registered:

(a) Launched the National Public Sector Procurement Policy, 2018. The Policy encourages the use of public sector procurement to promote social, environmental and economic objectives while at the same time achieving the targets of Sustainable Development Goals and Agenda 2030.[186]

(b) In order to control the rise in the rates of poverty, Government identified Teso region as one of the regions to roll out its EMYOOKA program aimed at promoting job creation and improving household incomes through SACCOs. The initiative targets SACCOs formed in 18 categories that include; boda boda cyclists, women enterprises, carpenters, tailors, mechanics, performing artists and fishermen among other groups.[187]

(c) Launched the new Domestic Revenue Mobilization Strategy (DRMS) on the 20th February, 2020. The DRMS will run for five years in which it guide and as well as increase transparency in tax policy-making in Uganda. The Strategy is expected to enhance and sustain tax collection efforts leading to an increase the ratio of revenue

[185] Parliamentary Commission Ministerial Policy Statement FY 2020/2021

[186] www.finance.go.ug

[187] https://www.westnileweb.com/news-a-analysis/arua/emyooga-initiative-launched-to-fight-poverty

to Gross Domestic Product (GDP) by 0.5 percentage points per annum over the next five (5) years.

(d) Collected and analysed the Harmonised Consumer Price Index (HCPI) for the COMESA member countries.[188]
(e) Compiled and disseminated Residential Property Price Index (RPPI) for the Greater Kampala Metropolitan Area (GKMA) for Q1 209/2020.[189]
(f) Finalized the Annual Labour Force Survey FY 2018/19.
(g) Finalized the Uganda Malaria Indicator Survey.
(h) Compiled the Female Genital Mutilation (FGM) 2019.
(i) Completed data collection for the Uganda National Household Survey (UNHS) Wave VII with nutrition module and embarked on wave VIII.
(j) Developed instruments for the 8th Uganda National Household Survey and undertook the necessary stakeholder consultations.

Audit

Under the sector's achievements in the Audit and Anti-corruption thematic area, the sector seeks to achieve value for money in the management of public resources.

In FY 2019/20, the following achievements were realised;

(a) 550 complaints were registered through the Inspectorate General of Government (IGG). 248 were registered at Head Office and 302 registered at regional offices. Out of the above complaints, 445 were sanctioned into investigation cases, 57 referred, and 35 rejected.
(b) Ten grand corruption cases were investigated to conclusion by end of February 2020, out of a target of three. These investigations resulted into recommendation of recovery of USHS 179,647,116, prosecution of 3 public officials and administrative sanction of one person.[190]
(c) In an effort to fight corruption, State House's Anti-Corruption Unit handled over 60 corruption cases by end of March 2020.[191] The fight against corruption was strengthened through training 67 officers from Uganda Revenue Authority and State House Anti-corruption Unit at the National Leadership Institute, Kyankwanzi.
(d) With financial support from EU, the Office of the Auditor General concluded 3,720 backlog audits, bringing its audits of Local Governments up to date.[192]
(e) Developed the Internal Audit Strategic Business Plan.[193]

The Accountability Sector priorities over the NDPIII period include:

a) Strengthening capacity for development planning;
b) Strengthening budgeting and resource mobilization;
c) Strengthening coordination, monitoring and reporting frameworks;
d) Strengthening capacity for evidence-based development planning, particularly at the MDAs and Local Governments;
e) Strengthening the capacity of the Development Committee and MDA project units to support the PIMS process;

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[188] UBoS Ministerial Policy Statement FY 2020/2021
[189] UBoS Ministerial Policy Statement FY 2020/2021
[190] IGG Ministerial Policy Statement FY 2020/2021
[191] State House Q_2 Performance Report 2019/2020
[192] Office of the Auditor General Ministerial Policy Statement FY 2020/2021
[193] Ministry of Finance, Planning and Economic Development Ministerial Policy Statement FY 2020/21

f) Ensuring that effective monitoring, evaluation and reporting are crucial tenets of policy implementation, and developing an integrated Monitoring and Evaluation framework and system for the NDP;
g) Strengthening the capacity of the national statistics system to generate data for national development; and
h) Developing an integrated system for tracking implementation of internal and external audit recommendations.

In addition to the above, Government intends to undertake the following interventions during the NDP III period:

a) Conclude the seventh Uganda National Household Survey and Baseline of Education Census (BEC), 2020.
b) Continue rolling out the Electronic Government Procurement (eGP) system. The system is geared towards maintaining efficient, complete and up-to-date public procurement information for all public entities in Uganda.
c) Implement the remaining phases of the pay enhancement policy to reduce salary disparities between staff in Authorities and those in the mainstream public service.
d) Upgrade the Integrated Personnel and Payroll Management System and integrate it with other Government systems to facilitate seamless sharing of information, and address the equity concern of delayed access to the payroll by pensioners.

6.2 INFRASTRUCTURE DEVELOPMENT

The role of infrastructure development in stimulating economic growth cannot be overstated. This is emphasized in the second development objective of NDP II, which is cognisant of the need to increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness. It is envisaged that the NDP III shall build on the achievements realised in the NDP II, to propel economic growth through a programmatic approach to infrastructure development.

The NDP III, therefore, has identified six programmes that aim to address infrastructure gaps. These include Energy Development; Integrated Transport Infrastructure and Services; Sustainable Development of Petroleum Resources; Digital Transformation; Minerals Development; and Innovation, Technology Development and Transfer. This is in line with Vision 2040 that re-iterates the rationale for developing an infrastructure base capable of transforming Uganda from a peasant to modern and prosperous nation.

6.2.1 THE TRANSPORT SECTOR

In Vision 2040 and the attendant National Development Plans, Government of Uganda strives to improve the country's connectivity through its transport system, and ensure that transport services are affordable and efficient. This is also emphasised in the National Transport Master Plan 2008-2023. The Master Plan aims to cure historical traffic congestion within Greater Kampala Metropolitan Area and the surrounding areas. It also aims to enhance connectivity across the country by creating infrastructure links that supports regional integration. The NDP III has placed much emphasis on development of a multi-modal transport system in the country to reduce transport costs, travel time and efficiency in connecting to different modes of transport.

Road Transport

Road connectivity in the country improved over the NDP II period on account of the focus on infrastructure development. The country currently has 159,366[194] km of roads and 519 bridges. Of these, 13 percent are national roads, 24 percent are district roads, 12 percent are urban roads and 50 percent are community roads. The total stock of paved roads is 5,111 km (24 percent of national roads). District, Urban and Community Access roads (DUCAR) have also undergone periodic and routine maintenance to ease connectivity and access to markets and economic centres.

The Table below provides insights into the Indicators used to measure progress in road infrastructure development.

Table 6.1: Level 2 National Standard Indicators for the Transport Sector

Programme Outcomes	Outcome Indicators		2018/19 Outturn
A reliable and efficient national transport network	Average time spent in traffic within Greater Kampala Metropolitan Area (daily man hours)		4.2
	Travel Time on National Roads (Average, kph)		1.13
	Proportion of National Road Network in fair to good condition	Paved	97 percent
		Unpaved	83 percent
	Handling capacity of national airports	Passenger	22,232
		Cargo	62,093
	Proportion of freight and passenger traffic by mode of travel		N/A
	Fatalities for every 10,000 persons		0.8
Inclusive road construction industry	Proportion of contracts awarded to local firms (percent)		N/A
	Proportion of road works executed by local firms (percent)		24

Performance in FY 2019/20

Effective implementation of projects is essential for improvement in national and regional connectivity. This is also important in complementing existing efforts to promote trade along the growth corridors. In FY 2019/20:

i. 27 road projects totalling 1,730.4 km were at various implementation stages
ii. 21 road projects are in advanced construction stages. These include projects under upgrade and rehabilitation.
iii. 8 multilane road projects are at design stage. In-house designs are being undertaken for another 11 road projects.
iv. A total of 187 road projects are at various procurement stages.

Table 6.2 and 6.3 show the progress in implementation of road projects that are in advanced stages (upgrade) and those being rehabilitated, respectively.

[194] Draft National Development Plan III

Table 6.2: Advanced Road Projects

S / N	Name of Project	Length (km)	Completion Rate (percent)
1	Kampala Northern Bypass	17.5	67.9
2	Bulima – Kabwoya	66	89.9
3	Kyenjojo – Kabwoya	100	74.5
4	Mubende – Kakumiro – Kagadi	107	72.98
5	Bumbobi – Lwakhakha	44.5	81
6	Soroti – Katakwi – Akisim	100	96
7	Akisim – Moroto	50.3	99.36
8	Tirinyi – Pallisa – Kumi	67	48.6
9	Kapchorwa – Suam	73	9.93
10	Kyenjojo – Fort Portal	50	76.69
11	Pallisa – Kamonkoli	44	46.5
12	Kigumba – Bulima	69	34
13	Kitala – Garuga – Gerenge	10	27
nder Design and Procurement			
14	Muyembe – Nakapiripirit	117	Mobilisation and camp establishment
15	Atiak – Laropi	66	Mobilisation and camp establishment

Source: UNRA Project Status Report – February 2020

Table 6.3: Road Projects under Rehabilitation as at February 2020

S No.	Road Project	Length (km)	Completion Status (percent)
1	Nansana – Busunju	48.1	90
2	Nakalama – Tirinyi – Mbale	102	83
3	Kyenjojo – Fort Portal	50	88.8
4	Fort Portal – Hima	55	59.7
5	Hima – Katunguru	58	95
6	Ishaka – Katunguru	58	76

Source: UNRA Project Status Report – February 2020

In addition, Government has undertaken construction of major highways to decongest Greater Metropolitan Kampala Area (GKMA) and reduce on travel time. Table 6.4 shows the implementation progress of expressways.

Table 6.4: Implementation Status of Major Expressways

S / N	Project	Length (km)	Implementation Status
1	Entebbe Expressway	51	Cumulative physical progress stands at 98.7 percent completion
2	Kampala – Jinja Expressway (Public Private Partnership)	94	Draft Bidding Documents are being finalized for approval by the PPP Committee
3	Kampala – Mpigi Expressway	32	Section 1 and 2 are under procurement
4	Northern Bypass	17.5	67.9 percent completed
5	Kampala Flyover	4.5	Project commenced in May 2019
6	Kampala – Bombo Expressway	50	Detailed designs completed and now under review
7	Kampala Outer Beltway	100	Detailed designs undertaken
8	VVIP Express Route (Nakasero – Northern Bypass Express Route)	5	Detailed engineering designs completed and ***RAP to be completed in June 2019***
9	Busega – Mpigi Expressway	23.7	Project Appraisal stage
10	Kampala- Busunju Expressway	55	Under Procurement

Source: UNRA Project Status Report – February 2020

Oil Roads

Government commenced implementation of strategic transport infrastructure projects in the Oil and Gas sector. These were critical in strengthening the existing infrastructure to realise efficiencies in the process of oil production. Government also commenced the development of the Hoima Industrial Park, which is intended to promote linkages and local economic development.

Table 6.5: Overview of Project Implementation

S / N	Project	Length (km)	Progress (percent)
1	Masindi – Park Junction and Paraa – Buliisa (Package 1)	159	34
2	Hoima – Butiaba – Wanseko (Package 2)	111	45.6
3	Buhimba – Nalweyo – Bulamagi & Bulamagi – Igayaza – Kakumiro (Package 3)	93	27.3
4	Masindi – Biiso, Hohwa – Nyairongo – Kyarusheesha – Butoole and Kabaale – Kiziranfumbi (Package 5)	97	2.57

Source: UNRA Project Status Report – February 2020

Bridges

In order to ensure further improvements in national connectivity, the construction of a number of bridges has been completed, and several others under construction. The list of bridges under construction is presented in Table 6.6 below.

Table 6.6: Implementation Status of Bridges in the National Road Network under Construction

S/N	Bridge	Implementation Status as of March 2020
1	Design & Build of Kaabong Bridge on Kaabong–Kotido Road in Karamoja	The Bridge has been substantially completed, and is currently under the Defects Liability period. It is being used by the public.
2	Design & Build of Lopei Bridge on Moroto–Kotido Road in Karamoja	The Bridge has been substantially completed, and is currently under the Defects Liability period.
3	Design and Build of Odroo Bridge on Arua–Biliafe–Otrevu road; Ayugi Bridge on Atiak–Adjumani–Moyo–Yumbe–Manibe road Wariki Bridge on Logiri–Bondo road; Ceri, Adidi and Opio Bridges on Pakele–Pabbo road	Cumulative physical progress achieved is 54.4 percent, against the 62.7 percent planned at this stage
4	Design and Build of Waiga Bridge on Bukumi–Bulisa–Wanseko road; Mpondwe Bridge on Kampala–Mubende–Fort Portal–Uganda/DRC border road	Overall completion rate of physical works is at 87 percent
5	Nsongi Bridge on Kasisi–Rutete–Kabata–Rwenkerizi–Kyanga road, Ruzairwe Bridge on Kibaale–Kyebando–Pacwa road	Overall completion rate of physical works is at 87 percent
6	Multi Cell Box Culvert at Ajeleik	Overall cumulative physical progress stands at 87.96 percent
7	Multi Cell Box Culvert at Opot	Overall cumulative physical progress stands at 96.12 percent, against the planned 94 percent
8	Aji and Ora Bridges	Cumulative physical progress is 44 percent against planned progress of 82.6 percent
9	Enyau Bridge	Cumulative physical progress is 45.8 percent, against the planned progress of 75.8 percent
10	Kabaale Bridge (linking Kyankwanzi to Ngoma in Nakaseke)	Completed and Defects Liability Period expired. Snags satisfactorily completed. Review of final account settlements is still pending
11	Emergency construction of Ndaiga bridge along Bugiri–Malaba road section	Completed and Defects Liability Period expired. Final account settlement under review
12	Awoo Bridge	Preparation of draft Design ongoing
13	Nariamabune Bridge	Preparation of draft Design ongoing
14	Kagandi Bridge on Kagandi–Natete–Busanza–Mpaka Road and Dungulwa on Kinyamaseke–Kisinga–Kyarumba–Kibirizi Road	Commenced construction in January 2019
15	Emergency Design and Build of 4 Strategic Bridges in West Nile; Ora 1, Ora 2, Awa and Olemika on Pakwach–Inde–Ocoko Road	Preparation of draft Design ongoing

Source: UNRA Project Status Report – February 2019

Air Transport

Government has taken a firm policy stance on improvement of air transport, given its strategic importance to the country. The Air Master Plan that runs from 2014 to 2033 is now being implemented through provision of critical infrastructure, in a bid to position Uganda as a sustainable tourist destination. The Master Plan aims to:

a. Increase passenger traffic at Entebbe International Airport (EIA) from 1.2 million in 2012 to 7.5 million in 2033.
b. Increase cargo traffic from 56,000 tonnes in 2012 to 172,000 tonnes in 2033.
c. Increase traffic in up-country airports from 1 percent to 10 percent, translating into an increase in passengers from 14,000 in 2012 to 660,000 by 2023.

Consequently, Government is undertaking rehabilitation of the Entebbe International Airport, in order to expand its passenger and cargo handling capacity. The completion rate of works as at March 2020 was 67.5 percent. Government has also procured four (4) Bombardier aircrafts to operationalise the national airline. These aircrafts are plying regional routes such as Nairobi, Kigali, Bujumbura, Dar es Salaam, Mogadishu, Juba and Mombasa. Plans are underway to expand the network to Harare, Johannesburg and Cairo.

The procurement of two (2) additional Airbus A330 Neo will see the expansion of the route network to larger international destinations such as Dubai, Guangzhou and London. The Kabaale International Airport in Hoima, whose strategic focus is to facilitate the sustainable development of Uganda's Oil and Gas industry, stands at 34.9 percent physical progress.

Tables 6.7 and 6.8 below show passenger and cargo air traffic statistics respectively.

Table 6.7: Passenger Traffic in Uganda, 2014 – 2018

Category	2014	2015	2016	2017	2018	2019
Departing	666,546	690,992	703,649	757,330	821,198	924,265
Arriving	665,953	684,152	697,930	753,877	849,034	877,842
Total	1,332,499	1,375,144	1,401,579	1,511,207	1,670,232	1,802,107

Source: UCAA (Passenger traffic statistics 1991-2018)

Table 6.8: Cargo Traffic in Uganda, 2014 – 2018

Category	2014	2015	2016	2017	2018	2019
Imports	20,644	21,789	20,182	21,593	21,689	22,642
Exports	32,197	32,660	39,376	47,711	41,667	42,089
Total	52841	54449	59558	69304	63,356	64,731

Source: UCAA (Cargo traffic statistics 1991-2018)

Water Transport

Water transport is the cheapest means of transport in Uganda. However, it remains constrained with outdated navigation infrastructure, and is wrought with safety concerns. Consequently, Government is strengthening the enforcement of regulations, in order to make water transport safer and environmentally suitable for the movement of both passenger and cargo traffic. There are 10 ferry routes covering a total distance of 110 km across Uganda's lakes and rivers, which enhances connectivity to national roads. The number of water vessels in Uganda has historically remained low due to the limited use of water transport. However, there is an improvement in adoption of more modern navigation technology on Uganda's waters.

Water Routes

The country is endowed with 18 inland water ports spread across the different water bodies. In view of the above, the Bukasa and Jinja ports are undergoing rehabilitation to smoothen cargo transportation from the region.

The following Table provides an overview of progress on implementation of works in the Water Sector.

Table 6.9: Progress on Implementation of Works in the Water Sector

S/N	Project	Progress
1	Sugulu Ferry	Cumulative physical progress is 98 percent
2	Buyende–Kasilo–Kaberamaido Ferry	Bid evaluation is ongoing. The draft detailed Engineering Designs were submitted for approval by UNRA
3	Kiyindi–Buvuma Ferry and Landing Site	Physical progress is 10 percent
4	Design of Wanseko Landing Site	Physical progress is 45 percent
5	Rehabilitation of Bukakata Ferry	Physical progress is 95 percent

Railway Transport

An effective railway system greatly augments interventions geared towards improving production and national connectivity. Government has continued to maintain its focus on development of the railway system to reduce the overall cost of doing business. The benefits of linking regional trade corridors has been central in advocating for a multimodal transport system in Uganda. Accordingly, negotiations to secure funding from China for the Standard Gauge Railway (SGR) are in advanced stages, while preconstruction activities such as securing right of way have progressed. As of December 2019, 1,089.6 acres of land out of the requisite 2,994.5 acres have been acquired, and 3,527 Project Affected Persons (PAPs) compensated, out of the 10,207 PAPs. Routine maintenance has also been carried out on the 280 km Kampala-Malaba carriageway.

The procurement of a contractor to rehabilitate the Tororo–Gulu railway line was concluded, while RAP implementation for rehabilitation of Tororo–Gulu railway line has also commenced.

Building on the NDP II performance, the NDP III and the Sector's priorities in FY 2020/21 include the following:

a) Rehabilitate 7,905km of district, urban and community access roads to improve all year around accessibility of communities to socio-economic services;
b) Construct the priority roads in the Albertine Graben to support value adding activities in the Oil and Gas sector;
c) Roll-out low cost sealing and probase technology, as an alternative and sustainable method of road maintenance in Uganda;
d) Construct bridges on the DUCAR network to improve connectivity and access to socio-economic services for communities living in areas that are hard to reach, affected by floods and or have swamp crossings;
e) Complete the upgrade of Entebbe International Airport and capitalize Uganda National Airlines Company Ltd to handle current and future air traffic;

f) Develop Kabaale International Airport in Hoima to support the Oil and Gas Sector, and upgrade domestic regional aerodromes to promote tourism;
g) Develop the Southern route – Bukasa Port, and rehabilitate Port Bell and Jinja pier, to reduce the country's over-dependence on the Northern Corridor;
h) Construct and operationalize the Search and Rescue facilities on Lakes Victoria, Kyoga and Albert to promote maritime safety and contribute to the development of inland water transport services in Uganda;
i) Extend railway passenger services to other parts of Kampala to enable more commuters to access cheaper public transport services, and reduce traffic congestion within Kampala;
j) Rehabilitate the Tororo–Gulu metre gauge railway line to provide an efficient, reliable, safe and affordable means of transport and reduce over-reliance on road transport; and
k) Develop the Malaba–Kampala Standard Gauge railway line to provide reliable and efficient railway transport services.

6.2.2 Energy and Minerals Development

Energy Development

The cost and reliability of energy impacts on production processes and ultimately affects the prospects of achieving economic, social and industrial development of any country. Consequently, Government has prioritised developing Uganda's energy mix to accommodate the increasing and anticipated demand for energy. This is in line with Government's strategic objectives of reducing the cost of doing business in Uganda and promotion of industrial growth.

The electricity sub-sector received substantial funding targeted towards improving electricity generation capacity, distribution and transmission over the NDP II period. Many of the requisite investments have been undertaken, or are in the final stages of completion. Deliberate measures to increase generation have drastically addressed the endemic problem of power shortages and caused a reduction in energy tariffs. Furthermore:

a) The construction of Isimba Hydro Power Plant (HPP), the Karuma HPP and several other investments have significantly contributed to the increase in power generation.
b) By March 2020, the country's installed generation capacity was 1,254 MW. This is set to increase to about 1,800 MW once the Karuma dam is completed in December 2020. However, the commissioning of Karuma HPP is contingent on the completion of the Karuma Interconnection Project. The project includes the following transmission lines: Karuma – Kawanda line (400kv); Karuma – Olwiyo line (400kv); and Karuma – Lira line (132kv). The physical progress in establishing these transmission lines is now at 81 percent.
c) The share of households with access to electricity stands at 28 percent,[195] up from 25 percent in FY 2018/19 on account of implementation of the new Electricity Connection Policy.

Government has also supported and promoted alternative energy sources, such as the adoption of solar energy for lighting, especially in rural areas. The use of liquefied petroleum gas for heating has also been piloted, as a mechanism of conserving the environment. Some strides have been taken towards the development of nuclear energy to meet future energy demands. As a result, Uganda successfully entered into an Inter-Governmental Agreement (IGA) with the Republic of Russia, to develop her nuclear energy

[195] Estimated in the FY 2020/21 Ministerial Policy Statement

sources. A Nuclear Energy Policy, which aims to regulate and provide necessary framework for the use of nuclear energy in the country, is currently being drafted. The Table below provides an overview of the Energy Sector's performance.

Table 6.10: Programmatic Performances and Target for the Energy Sector

Programme Outcomes	Outcome Indicators		2014	2015	2016	2017	2018	2019
Energy Security	Installed generation capacity (MW)		867	885	895.5	947	1,201.8	1,254.2
Energy Access	Electrification rate (percent)		14	20.5	22	22	28	28
	Transmission capacity (km)[196]	132kv	1,442	1,442	1,442	1,442	1,526	1,847
		220kv	150	150	150	150	1,008	1,008
Energy Cost	Energy losses (both Technical and non-technical) losses (percent)[197]		21.3	19.5	19	17.2	16.9	16.4
Energy Mix	Large Hydro power		71.2 percent	70.4 percent	70.4 percent	80 percent	77 percent	79 percent
	Small Hydro power		7.3 percent	7.3 percent	7.3 percent	8 percent	11 percent	10 percent
	Thermal		15.4 percent	15.2 percent	15.2 percent	2 percent	5 percent	4 percent
	Solar power		0 percent	0 percent	0 percent	0 percent	1 percent	1 percent
	Others		6.1 percent	7.2 percent	7.2 percent	10 percent	6 percent	6 percent

Source: Ministry of Energy and Mineral Development Performance Report Q2 FY 2018/19 and MPS FY2020/21 and the ESI performance report 2019

In the NDP III, the significance of the energy sector in achieving development targets, as well as achieving the SDG seven (7) has been emphasised adequately.

Energy Access

Uganda has a diverse energy mix comprised of hydro power, biomass, solar and thermal energy. A large share of the population uses biomass, especially for heating. As of March 2020, 28 percent of the population had access to electricity for heating and lighting, up from 25 percent in FY 2018/19. The increment, as stated earlier, has been on account of the implementation of the Electricity Connection Policy. The Policy targets providing access to energy to an additional 300,000 households every year. 93,580 households have so far been connected in FY 2019/20.

As of March 2020, UMEME's customer base stood at 1.4 million households. Of these, 1.3 million are on prepaid connections. Similarly, the uptake of solar power has increased,

[196] ERA (Electricity Transmission Statistics, 2018)

[197] UMEME Annual Reports and ERA Statistical Bulletin

especially in the rural areas. 20.7 percent of the rural population have access to solar energy.[198]

Energy Security

Electricity generation increased in the NDP II period. Isimba HPP (180MW) was completed, and the Karuma HPP (600MW) now stands at 97.3 percent completion rate. Additional generation from Achwa (42MW), Siiti 11 (65MW), Kyambura (7.6MW) and Ndugutu (5.9MW) led to an increase in total installed generation capacity to 1,254MW as at March 2020, up from 1,184 in June 2019. Furthermore, a number of transmission lines are under implementation to facilitate evacuation of power from the newly commissioned HPPs. These are at different stages of completion, as shown in Table 6.11.

Table 6.11: Implementation Progress of Selected Transmission Lines in FY 2019/20

S / N	Transmission Lines	Capacity	Length (km)	Implementation Progress (percent)
1	Tororo–Opuyo–Lira	132kv	260	91
2	Bujagali–Tororo–Lessos	220kv	127	91
3	Karuma–Olwiyo	132kv	54.25	86
4	Karuma–Kawanda	400kv	248.2	90
5	Karuma–Lira	132kv	75.5	66
6	Bujagalai Bays	220kv	_	42
7	**Opuyo–Moroto**	**132kV**	**160**	70.82

Source: UETCL website (https://www.uetcl.com/index.php/site-administrator/2014-01-29-09-43-25)

Cost of Energy

For a long time, the cost of energy (tariff) has been decried as too high for industrialists and domestic consumers alike. In FY 2019/20, Government reached an understanding with the Textile Industry on the implementation of the US 5 cents/kWh. Textiles industries that are vertically integrated are already benefitting from the initiative. Over 58 percent of power generated is sold to large industries. The Table below provides an overview of the Tariffs in Uganda.

Table 6.12: Quarterly Movements in Electricity Tariffs, 2018 to 2020(Q2)

Category	2018	2019	2020
Domestic	744.5	755.9	751.3
Commercial	667.3	670.3	647.5
Street Lighting	727.1	494.9	370.0
Medium Industries	603.4	599.8	573.1
Large Industries	378.9	367.0	361.7
Extra-large Industries	341.8	305.1	302.0

***Source: Computed from ERA Quarterly Releases* (www.era.or.ug)**

Similarly, the reduced electricity tariffs have resulted in higher demand of power, particularly among industrialists, resulting into an increment in connections of industries classified as extra-large. To meet the increasing demand, UMEME secured a US $70 million loan (approximately USHS 258 billion) to meet the capital requirements for expansion of customer base and improved efficiency in service delivery. Table 6.13 below shows the trend of electricity connections from 2014 – 2019.

[198] Uganda National Household Survey 2016/17

Table 6.13: Trends in Electricity Connections

Category	2014	2015	2016	2017	2018	2019
Domestic	590,677	723,491	867,671	1,026,205	1,177,964	1,353,524
Commercial	56,891	66,806	79,746	95,483	110,449	111,734
Street Lighting	307	305	306	322	250	250
Industrial – Medium	2,234	2,431	2,564	2,735	2,606	2,604
Industrial – Large	464	511	527	546	502	502
Extra-large Industries				38	40	40
Total	**650,573**	**793,544**	**950,814**	**1,125,329**	**1,291,811**	**1,468,654**

Source: UMEME Annual Performance Reports

Mineral Development

Uganda is blessed with a plethora of mineral resources including gold, copper, iron, etc. Mineral development or beneficiation, therefore, abounds with tremendous potential for creation of employment possibilities and income generation. The contribution of minerals to Uganda's GDP increased to 2 percent[199] in FY 2018/19, up from 1.5 percent in FY 2017/18.

The minerals sub-sector has undergone reforms that are aimed at better regulation and streamlining mining activities in the country. To this end, Cabinet approved the Minerals Policy, 2019. In addition, consultations on the Mining and Minerals Bill, 2019 were held. These developments have resulted in the reorganisation of mining activities and a countrywide e-registration of artisanal miners. To date, 68 groups in Karamoja, 24 in Mubende and 20 in Ntungamo have been registered. In addition, 2,249 artisans from Mubende; 1,614 from Namayingo and Busina; 3,000 from Karamoja; 800 from Ntungamo and Isingiro have been registered and trained in good mining practices. 105 location licenses have been issued to ASM countrywide.

Oil and Gas

Uganda discovered commercially viable oil resources in 2006. Since then, a number of initiatives and reforms have been undertaken, in order to ensure that the country reaches the point of oil production. The first oil is expected to be produced in 2023.

The need to ensure that Uganda gains optimal value and benefit out of oil production cannot be overstated. With that in mind, the necessary infrastructure projects in the oil and gas sector are being undertaken. Negotiations on the Host Government Agreement with Joint Venture partners in the East African Crude Oil Project (EACOP) are progressing. Currently, the land acquisition process commenced with the development of the Resettlement Action Plan. In addition to that, the Front End Engineering Designs (FEED) related to the refinery project are being finalised, in order to inform the Final Investment Decision.

The Table below shows the status of implementation of projects in the sector.

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[199] UBOS website (Annual GDP excel sheets)

Table 6.14: Implementation Status of Flagship Projects in the Oil and Gas Sector

S / N	Projects	Description and Implementation Status
1	East African Crude Oil Project (EACOP)	• Land acquisition and surveys for the pipeline and access roads in 10 districts of Gomba, Hoima, Kakumiro, Kikuube, Kyankwanzi, Kyotera, Lwengo, Mubende, Rakai and Sembabule were completed and 4,600 PAPs compensated. • RAP studies on the Tanzania side are ongoing, while, the final RAP Report on the Uganda side is being finalised. • The Front End Engineering Design (FEED) awaits approval by Government of Uganda and the project sponsors. • Negotiations between the Host Governments (Uganda and Tanzania) and the Joint Venture partners continue.
2	Oil Refinery	Progress on the Front End Engineering Designs (FEED) stands at 60 percent. Finalisation of the FEED will inform the Final Investment Decision (FID).
3	Kabaale International Airport	Overall progress is about 36 percent. The runway is expected to be ready for testing on 20th June 2022, and other works completed in 2023.

Source: MEMD Ministerial Policy Statement FY 2020/21

Medium Term Plans for FY 2020/21

The sector will undertake the following interventions in FY 2020/21:

a) Increase power generation capacity, and extend both power transmission and distribution infrastructure countrywide;
b) 2,896.66 km of medium voltage lines and 4,219.21 km of Low Voltage lines will be constructed and power extended to 620 administrative units including 558 sub counties, 52 town councils and 10 divisional headquarters.
c) Increase access to energy services for all Ugandans through rural electrification and renewable energy development. 388,000 households will be connected to electricity in view of the connections policy.
d) Develop petroleum refining, pipeline transportation and bulk storage infrastructure for export and increase in the national revenue.
e) Finalise the Mining and Minerals Bill 2019 to promote and regulate mineral exploration, development, production and value addition.

6.2.3 Information Communication and Technology

The Information, Communication and Technology (ICT) sector is one of the enabling sectors for economic development and transformation. Its contribution to GDP in FY2018/19 was 8.0 percent[200]. This was on account of the increased investment in ICT by both the public and private sectors. Implementation of the National Backbone Infrastructure coupled with necessary legal and regulatory reforms has enabled the growth of the requisite ICT infrastructure. By September 2019, teledensity stood at 63.9 percent.[201]

[200] Annual GDP series (UBOS) FY 2018/19
[201] Annual Statistical Abstract, 2019 (UBOS)

Inclusive ICT Opportunities

Government continues to implement the National Backbone Infrastructure (NBI) to support utilization of internet services, both in the public and private sector. Phase 4 of the NBI is nearing completion. 4,000 km of fibre optic cable have been laid, linking 60 towns and offering free MYUG WiFi to 284 locations (hotspots) within Kampala and Entebbe.

Government also extended the NBI to West Nile, totaling 842km across 124 offices. This has enabled the expansion of digital connectivity and access to e-services across the country.

A total of 437 Government entities are digitally connected. The project will also support the implementation of the e-procurement and the Human Capital Management System. Similarly, the e-payment Gateway that aims to facilitate electronic payments across Government services has been implemented progressively. The regulator (NITA-U) seeks to implement the last phase (phase 5) to cover 73 districts, 3,111 MDAs, 20,000 sub-counties, hospitals and schools. This is envisaged to require 6,255km of optical fibre cables and cost about USHS 1.3 trillion. It is also expected to cover 1,754 locations in selected supermarkets, parks and gas stations, etc.

Similarly, as a result of an enabling environment, telephone subscriptions (both mobile and fixed) increased from 24,658,813 in December 2018 to 25,748,817 in September, 2019[202], representing a 4 percent increment. .

A dynamic ICT legal & regulatory framework

Government has continued to provide an enabling environment for ICT to thrive. To this end, In FY 2019/20, Ministry of ICT and NG concluded a review of the new licensing framework for the telecommunications sector and approved various license categories. The review aimed at;

a) Ease market entry and enhance competition
b) Intensify the rollout of broadband Internet
c) Enhance local ownership of telecom services
d) Promote effective utilisation of available resources

The approved license categories are as enlisted;

a) National Telecom Operator (NTO) License
b) National Public Service Provider (NPSP) License
c) Regional Public Service Provider (RPSP)
d) National Public Infrastructure Provider (NPIP) License
e) Regional Public Infrastructure Provider (RPIP) License
f) License to provide Communal Access

In FY 2020/21 and the medium term, the following shall be undertaken:

a) Improve the legal and regulatory framework to respond to the emerging industry needs and to match the new technological developments;
b) Implementation of the Institutionalization of the ICT Function in MDAs and LGs;
c) Integrate e-Government systems and services to increase uptake of ICT;
d) Promote ICT Research and Innovation to increase job creation, especially for the Youth;

[202] UCC Quarterly Statistical Reports on Post, Broadcasting and Telecommunications Market and Industry Q3 September, 2019 Reports

e) Establish model Incubation Centres/Hubs to encourage innovation and creation of local content at regional level;
f) Extend the ICT Infrastructure network to cover the entire country, to ensure digital inclusion;

g) Develop, adopt technologies, policies and strategies that safeguard communities and the environment (such as e-waste management, consumer protection, use of renewable energy, sharing ICT infrastructure);
h) Improve the capacity to respond to cyber security threats;
i) Promote the manufacturing and assembling of ICT devices in Uganda;
j) Finalise and implement the development of a National Guidance Policy; and
k) Mainstream the Government communication function through support to MDAs and LGs to establish and operationalise Communication Units;

6.2.4 Science, Technology Innovation (STI)

The strategic role of scientific innovation in uplifting other sectors of the economy and advancing research and development is emphasized in the NDP II and strongly emphasised in NDP III. Uganda's technology and innovation index stands at 25 as measured by the Global Innovation Index. The NDP III targets to raise the index to 32. This requires deliberate investment and supporting the private sector to innovate, develop and adopt technological development in business operations. In the last three years, Government has supported innovative ideas in agro-industry to develop value chains, strengthen product diversification and enhance local capacity to commercialise technological products.

In FY 2019/20, the following were achieved:

a. The draft Automotive Industry Policy was developed. The Policy aims to streamline the innovations and developments in the automotive industry in Uganda.
b. The National Research and Innovation Program framework was developed.
c. Under the M/s Kira Motor Corporation project, two electric buses were developed. The public enterprise continues to undertake the construction the vehicle assembly plant in Jinja. Physical progress is currently at 50 percent of the start-up facilities, comprising of 40,000 square metre production facilities, with a daily capacity of twenty-two (22) Vehicles. The project is expected to be complete by June 2021.

In FY 2020/21 and in the medium term plans, the programme will:

a. Promote the development of a well-coordinated science, technology and innovation eco-system emphasizing inclusion for all;
b. Develop the requisite Technology & Innovation infrastructure in various regions, while taking into account the needs of the disabled;
c. Build human resource capacity for Technology & Innovation, especially amongst the children and youth;
d. Strengthen Research & Development capacities and applications in all regions of the country;
e. Increase development, transfer and adoption of appropriate technologies and innovations amongst all categories of persons in the country;
f. Strengthen the legal and regulatory framework;
g. Develop STI Local Content for interest groups and stakeholders; and
h. Set up and operationalization STI infrastructure.
i.

6.2.5 Water for Production

The changing climatic conditions dictate the need to periodically review how effective the investments undertaken to plug water shortages in agricultural areas of the country are. Government has invested in the construction of facilities to serve water-scarce areas. There has also been development of irrigable land as part of increasing agricultural production. Consequently, the sector achieved the following in FY 2019/20:

a) Increased the functionality of WfP facilities from 86.7 percent to 87.2 percent in FY 2018/19;
b) Increased the cumulative WfP storage to 41.124 million m^3 in FY 2018/19 from 39.3 million m^3 in FY 2017/18;
c) Continued with the construction of 46 small scale irrigation schemes; and
d) Completed construction of 9 communal valley tanks and eight valley tanks in eight districts creating a water storage capacity of 117 million litres.

6.3 HUMAN CAPITAL DEVELOPMENT

In line with Vision 2040, human capital development was recognised as a fundamental enabler for socio-economic transformation of the country over the second National Development Plan (NDP II) period. This was premised on the fact that the quality and availability of appropriate human capital plays a key role in production, productivity and technological growth.

Over the NDP II period, Government of Uganda prioritized investments in health, nutrition, education and skills development to set the base for the requisite human capital. This has in turn, facilitated significant improvement in most of the human capital indicators over the period. Consequently, Uganda's overall Human Development Index improved from 0.515 and 0.516 in 2016 and 2017 respectively, to 0.528 in 2018[203]. To consolidate the registered success, Human Capital Development Programmes under NDP III will aim at improving the proportion of labour force transiting to gainful employment; years of schooling; life expectancy; access to safe and clean water and sanitation; and access to social protection by the population.

EDUCATION

The quality of the nation's human capital depends on the features of her education system[204]. Government implemented overarching programs coupled with strategic investment in the education sector, including skills development targeting mainly the youth. The funding for the sector has continued to grow over the years. The sector budget increased by 21 percent from USHS 2.8 trillion in FY 2018/19 to USHS 3.4 trillion in FY2019/20. The sector Budget for FY2020/21 will be USHS 3.3 trillion, accounting for 10.9 percent of the total National Budget.

As a result of this investment, currently, 92 percent of all parishes have a Government-aided primary school, while 71 percent of all sub-counties have a Government-aided secondary school. All major regions of the country also have a public university. In addition, Government has also promoted participation of the private sector in the provision of education services.

[203] Human Development Report 2019
[204] Research Report: Role of Teachers in Quality Enhancement in Higher Education, 2015

Policy and Regulation

Following Cabinet approval of the National Teachers' Policy, 2019 (NTP) on 1st April 2019, the Ministry of Education and Sports has since launched the policy and developed guidelines and standards for its implementation. The NTP, 2019 was designed to professionalize teachers, develop standards and improve the development, management, and utilization of teachers at all levels in Uganda. The Policy will facilitate the establishment of the National Teachers' Council and the Uganda National Institute of Teacher Education to provide leadership in Continuous Professional Development and the training of tutors.

Basic Education

Primary Schooling

Universal Primary School enrollment has increased significantly, from 2.6 million children in 1995 to 8.8 million children in 2017. The average years of schooling have nearly doubled, from 3.4 years in 1995 to 6.1 years in 2017. The aggregate impact of all this is an increase in literacy rate (of persons aged 10 years and above) from 70 percent in FY2012/13 to 74 percent in 2018/19.[205] In addition, the number of candidates who registered for Primary Leaving Examinations (PLE) improved by 3.5 percent, from 671,923 candidates in 2018 to 695,804 candidates in 2019. Of this number, 473,893 (68.2 percent) were Universal Primary Education (UPE) beneficiaries, and 221,912 (31.8 percent) were Non-UPE candidates. Furthermore, the gender distribution indicated that 336,040 (48.3 percent) boys were registered compared to 359,764 (51.7 percent) girls, indicating that more girls completed the Primary Education cycle than boys[206].

Government's investment in free primary education has also led to improvement in learning outcomes. The National Assessment of Progress in Education (NAPE) studies on achievement of learners at grade 3 and 6 pupils in literacy and numeracy over the 20 years of UPE implementation indicated that learning outcomes for primary students have increased since 1997. The proportion of grade 3 and 6 pupils who attained the desired proficiency levels in Literacy increased from 34.3 percent and 20 percent in 2003 to 60.2 percent and 51.9 percent in 2015, respectively[207]. The proportion of grade 3 and 6 pupils who attained the desired proficiency levels in Numeracy increased from 42.9 percent and 20.5 percent in 2003 to 71.7 percent and 52.6 percent in 2015, respectively. This demonstrates the results of improved monitoring and supervision in 70 Schools sampled during FY 2019/20, in a bid to promote greater accountability and improving education outcomes of all students across the country[208].

In Over the NDP II period, Government has achieved its targets of increasing enrolment, retention and completion of the primary schooling cycle, with specific interventions for the girl child. Universal Primary school enrollment has significantly increased from 2.6 million children in 1995 to 8.8 million children in 2017. Average years of schooling have more than doubled from 3.4 years in 1995 to 6.1years in 2017. The aggregate impact of all this is an increase in literacy rate (of persons aged 10 years and above) from 70 percent in FY2012/13 to 74 percent in 2018/19.

[205] GAPR 2018/19
[206] UNEB PLE Press Release 2019
[207] NAPE Assessment Report 2018
[208] Was conducted for 7 districts of Kitgum, Kole, Agago, Rubirizi, Kyotera, Amuru and Kapelebyong

FY 2019/20, Government[209]:

a) Procured and distributed 460,000 copies of P.3 and P.4 Pupils Reading Books in English, Islamic Religious Education, Christian Religious Education, CAPE, and 27 Local Languages books to all government schools.
b) Constructed a 2-2 classroom block and a 2-5 stance lined latrine block with bathrooms/urinals at Kireka Army Primary School
c) Conducted a workshop to sensitize parents, communities, Centre Management Committee members on their roles and responsibilities on the delivery of quality Early Childhood Development Services
d) Trained 1,154 Pre-service tutors in Early Grade Reading and held a second refresher training of 14,791 (P.1–P.4) teachers in Early Grade Reading methodologies to enhance teacher effectiveness
e) Monitored 254 schools benefiting from the Karamoja Food Programme activities in Northern Uganda to ensure that children get food while at school since basic nutrition increases the quality of life for every child and also improves the class test scores
f) Monitored and support supervised 32 schools supporting learners with special educational needs to promote inclusive growth.

Secondary Schooling

In a bid to increase access to quality secondary education, Government introduced the Universal Secondary Education (USE) Policy in 2007. Significant progress has been registered in the enrollment and performance of students in secondary schools, since the Policy was passed.

A total of 337,697 candidates registered for the 2019 Uganda Certificate of Education (UCE) from 3,531 centers across the country. There was an increment of 963 candidates from 2018, where 336,734 registered for the UCE examinations, representing a 0.28 percent increase. Out of the 337,697 candidates, 144,260 were from government schools and 193,437 private schools. The number of female candidates surpassed that of males making up to 50.2 percent, an increase from 49.5 percent in 2018. That notwithstanding, performance also improved from 87.2 percent in 2018 to 92.2 percent in 2019.

To promote inclusiveness and equity, Government continued to support Persons with Disabilities. Out of the 337,697 registered candidates who sat for Uganda Certificate of Education (UCE), 401 candidates had various forms of disabilities such as blindness (36), dyslexia (21 sighted; 4 blind), hearing impairments (60) and severe physical handicaps (75). Those with low vision were 88 in number, while those in need of extra time were 117. These candidates were given the required assistance, including an extra 45 minutes in each examination.[210]

Relatedly, out of the 104,476 candidates that sat for the Uganda Advanced Certificate of Education (UACE) 2019 across 2,298 centers in the country, 43,625 (41 percent) were female as compared to 41,296 in 2018, and 60,851 were male (59 percent). 65,723 (63.6 percent) of these candidates qualified to join higher institutions of learning.

[209] Ministry of Education Ministerial Policy Statement FY2020/21; Q1 and Q2 Performance Reports
[210] UNEB UCE Press Release 2020

Policy and Regulation

In FY 2019/20, Government through the National Curriculum Development Centre developed a new curriculum for Ordinary Level students to study both generic and vocational education concurrently, demonstrating Government's commitment to skill Ugandans for employment. The new curriculum focuses on learning outcomes and aims at producing a holistic learner equipped with knowledge, skills, values and attitudes required for the 21st Century. The key curriculum reforms place stronger emphasis on gender equality within schools, incorporation of Information and Communication Technology (ICT), and integration of students with special needs in the education system.

In addition, during FY 2019/20, Government[211]:

a) Trained 2,171 science and mathematics teachers[212] in order to enhance their skills.
b) Granted aid to 64 Community secondary schools in sub counties without Government-aided secondary schools.
c) Extended USHS 1.7 billion and USHS 2.5 billion to Soroti and Ibanda districts respectively, to construct seed secondary schools in the districts.
d) Monitored and supervised 128 USE and 115 Non-USE schools to promote accountability[213].
e) Inspected 900 secondary schools, 150 BTVET Institutions and followed up Inspection in 40 Secondary schools which had major weaknesses.
f) Revised the Handbook for School Inspection, and developed guidelines for inspection of Secondary and Primary Schools.

Higher Education

Over the years, there has existed a mismatch between the skills acquired from school and those required in the market which is one of hindering blocks to the planned economic transformation. Subsequently, Government committed to raise participation in tertiary and higher education through increased scholarships for the same over NDP II period

In FY 2019/20, Government[214]:

a) Advanced loans to 6,443 students in 20 Universities and 33 other Tertiary Institutions amounting to USHS 10.87 billion.
b) Facilitated the completion of hostels and class rooms at Uganda Petroleum Institute, Kigumba (UPIK). Completion rate of works at the boys' hostel currently stand at 80 percent, 28 percent at the girls' hostel, and 18 percent at the lecture block.
c) Completed delivery of furniture and installation of equipment to beneficiary institutions under support to Higher Education Science and Technology project. Mbarara University of Science and Technology, Uganda Management Institute, Lira, Muni, Gulu, Kyambogo, Makerere and Busitema Universities benefited.
d) Supplied 99,000 copies of assorted textbooks and periodicals to Teacher and Instructor Training institutions countrywide.
e) Monitored and supervised 35 Teacher Instructor Education and Training (TIET) institutions to assess the quality and efficiency of learning.

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[211] Ministry of Education Ministerial Policy Statement; Q1, Q2 Performance Report
[212] 2,055 classroom teachers and 116 regional trainers
[213] Schools monitored were from the districts of Hoima, Kisoro, Kanungu, Mukono, Kyankwanzi, Sembabule, Gomba, Kween, Kapchorwa, Bukwo, and Bulambuli
[214] Ministry of Education Ministerial Policy Statement for FY2020/21

Skills Development

Over the NDP II period, Government continued to implement initiatives aimed at equipping and skilling the population to increase the productivity and quality of the labour force. As the country strives to attain middle income status, skills enhancement will play an instrumental role by increasing the rate of job creation, household incomes and standards of living which will subsequently result in inclusive growth.

To develop employable skills and competencies in the labour market, major emphasis has been placed on Business, Technical and Vocational Education and Training (BTVET). BTVET institutions have increased from 119 in 2015/16 to 129 institutions in 2016/17. They have also recorded significant improvements in enrollment, from 40,830 students (26,338 males and 14,492 females) in 2015 to 49,654 students (32,796 males and 16,858 female) in 2017[215]. In FY 2019/20, Government enhanced monitoring and supervision of BTVET institutions and 19 TIET Institutions. Government also continued the construction and rehabilitation of BTVET learning facilities at Kabwangasi, Ngora, Ibanda, Kitgum, Jinja, Erepi, Bikungu and Kitgum PTCs, St. Joseph's Virika Vocational Training Institute (VTI) and Millennium Business School, among others.

Over the period of FY 2019/20, Government:

a) Supported the establishment of a Skills Development Coordination structure at national level;
b) Facilitated a seven-member delegation to attend a World Skills International Competition where Uganda became a member state (no. 82) of World Skills International;
c) Supplied 180,000 copies of assorted text books to 46 TIET institutions country wide; and
d) Continued with the construction works of two staff houses, a library block and a motor vehicle workshop at Kiruhura and Bamunanika Technical Institutes.
e) Enhanced monitoring and supervision of BTVET institutions and 19 Teacher, Instructor Education and Training (TIET) Institutions and;
f) Continued the construction and rehabilitation of BTVET learning facilities at Kabwangasi, Ngora, Ibanda, Kitgum, Jinja, Erepi, Bikungu and Kitgum PTCs, St. Joseph's Virika Vocational Training Institute (VTI) and Millennium Business School, among others.

During the NDP III period, Government will continue investing in human capital development with a major emphasis on increasing productivity of the population for increased competitiveness. To address the skills gap, the major focus will be on massive skills training programs targeting the rapid build-up of skills among the youthful labor force to address the challenge of low labor productivity. Skills development will enable Uganda to sustain productivity growth and translate that growth into more and better jobs. In FY 2020/21 Government will:

a) Construct Seed Secondary Schools in 115 sub counties without any government secondary school
b) Complete construction works at UPIK and other higher level institutions
c) Roll out a new Lower Secondary Curriculum which addresses the 21st Century Skills and Competences
d) Continue construction at 9 Technical Institutes; Jinja Ophthalmic Clinical Officers'

[215] GAPR 2018/19

Training School, Olio CP, UCCs Tororo and Aduku; and UTC Bushenyi

e) Recruit teachers, instructors, tutors and lecturers in primary and secondary schools, technical and health training institutions, Primary Teachers Colleges and Uganda College of Commerce institutions respectively
f) Continue implementing Government policy of having a public primary school in each parish and a secondary school in each sub-county in a phased manner by coding community primary schools and secondary schools
g) Promote skills development through operationalizing the TVET Policy
h) Improve teacher quality and professionalism through operationalizing the National Teacher Policy
i) Construct learning and accommodation facilities in schools and institutions under the following projects: Emergency construction project, Development of Secondary Project, Development and improvement of Special Needs Education, Development of Uganda Petroleum Institute Kigumba, Development of BTVET project and other Skills Development Projects
j) Revise the policy and legal frameworks to guide implementation of Sports in the country as the existing frameworks are obsolete.

HEALTH

Uganda's health sector continues to reform towards the highest possible level of health services to all people through the delivery of promotive, preventive, curative, palliative and rehabilitative health services at all levels. Over the NDP II period, Government prioritized preventive healthcare, which is expected to have an impact on reducing costs for other services under curative healthcare. Over the same period, the focus was skewed towards reducing maternal, neonatal and child morbidity and mortality; mass malaria treatment; increasing universal access to family planning services; health infrastructure development; developing a center of excellence in cancer treatment; and designing a National Health Insurance scheme.

Currently, Uganda faces various nutrition challenges even when adequate nutrition is a prerequisite for human development and socio-economic wellbeing. 29 percent of Ugandan children aged 6-59 months are stunted, 4 percent are wasted, 11 percent are underweight and another 4 percent are overweight[216]. Government developed the Uganda Nutrition Action Plan (UNAP) in 2019 to strengthen nutrition policy issues. Other nutrition interventions have been supported by donors such as World Food Programme (with interventions in Karamoja and Western Uganda) and the USAID nutrition interventions implemented under Regional Health Integration to Enhance Services (RHITES) in 38 districts.

Policy and Regulation

In FY 2019/20, Government undertook the following reforms:

a) Launched a 5-year National Action Plan for Health Security 2019-2023 to strengthen Uganda's health security capacity and community resilience against public health threats in compliance with International Health Regulations (2005).
b) Launched the Non-Communicable Diseases and Injuries (NDCI) Commission in August 2019, which is tasked to analyze the disease burden of NDCIs, determine priority strategies to address this burden and quantify the resource gap in implementing strategies in terms of finances, human resources and governance

[216] Uganda Demographic Health Survey 2016

c) Developed the Nutrition Action Plan and updated the nutrition indicators
d) Launched an online digital licensing system in partnership with World Bank for the renewal of medical workers' annual practicing license. The digital system intended to improve the quality of Medicare and strengthen the healthcare.
e) Produced and Launched the Presidential Initiative to healthy eating and healthy lifestyle (National day of Physical Exercise).
f) Developed Standard Operating Procedures to operationalize the Essential Medicines and Health Supplies (EMHS) Management Manual.

Inclusive and Quality Health Care Services

To accelerate movement towards Universal Health Coverage, Cabinet approved the National Health Insurance Scheme Bill on 24th June 2019. The Bill is intended to facilitate the provision of accessible, affordable, acceptable and quality healthcare services to citizens irrespective of their age, economic, health and social status. It is also intended to develop Health Insurance as a complementary mechanism of financing healthcare and ensure efficiency in healthcare services. The scheme will ensure that citizens have access to equitable, affordable and quality healthcare services if passed into law. The insurance scheme will facilitate the consolidation and building on the registered progress in various health indicators over the years.

Per capita health expenditure increased from USHS 49,637 in 2016/17 to USHS 51,239 in 2017/18, which is still low. Furthermore, Uganda's facility based maternal mortality rate significantly reduced by 12 percent from 104 deaths per 100,000 live births in 2017/18 to 92 deaths per 100,000 live births in 2018/19, achieving the NDP-II target of less than 394 deaths per 100,000 live births. Facility based fresh still births also reduced to 9.4 for every 1,000 deliveries in 2017/18, down from 10.1 in 2016/17.[217]

Further still, in FY 2019/20[218], Government conducted a mass Measles Rubella vaccination campaign, covering 128 districts and vaccinated 19,476,110 children over and above the targeted 18,100,000 children. Government also rolled out Result Based Financing (RBF) to 79 districts covering over 740 health facilities and oriented 70 hospitals on RBF including Regional Referral and General Hospitals. The roll out of RFB was intended to improve the effectiveness of aid in health systems striving for Universal Health Coverage.

In addition, a number of support supervision activities were carried out across the country, complementing the Area Team Supervision in Local Governments, National, Regional Referrals and Lower Health Facilities. Government facilitated the maintenance of 49 ultrasound scanners and 42 X-ray machines in 10 Regional Referral Hospitals, 23 General Hospitals, 28 Health Centre IVs and Mulago National Referral Hospital to provide quality care and 491 solar systems in 157 heath facilities in 11 eleven districts were maintained.

Competitive Health Care Centers of Excellence

Government has continued to improve the stock of health infrastructure across the country, with an aim of transforming facilities into centers of excellence. In FY 2019/20, Government completed up to 98 percent of the civil works at Mulago Super Specialized Hospital and civil works at Kayunga, Kawolo, Busolwe and Yumbe Hospitals.

[217] UBoS Statistical Abstract 2019
[218] Ministry of Health Ministerial Policy Statement FY2020/21

In addition, the Centre of Excellence in Paediatric Surgery, Entebbe is near completion and is set to open by the end of 2020. The 72 bed capacity hospital will provide free paediatric surgery to children aged between 1 month and 14 years in Uganda.

Relatedly, the civil works for the International Specialized Hospital (ISHU) of Uganda are progressing fairly well, following the resolution of some setbacks encountered at the beginning of FY 2019/20. The project, if successfully executed, will include a 264-bed hospital, an 82-room budget hotel, a 5,000-seater conference hall, a health training school and staff houses. By the end of 2019, the ISHU and Joint Commission International (JCI) had concluded the first phase of the partnership for the accreditation of the ISHU Hospital. The two started the preparation of the core Policies and Procedures that will drive clinical and non-clinical activities performed by the ISHU Staff, and that will allow them to practice keeping quality of service and patients' safety as top priorities.

Inclusive Healthcare Financing

Uganda's health system is financed by a multiplicity of stakeholders including Government, private firms, Households and Health Development Partners (HDPs). Over 41 percent of expenditure on health services is out of pocket expenditure by households, while 42 percent is spent by donors. Government contributes 15 percent of the total expenditure[219]. Government continued to support service delivery in facilities by way of grants and seconding personnel.

During the NDP III period, Government, will continue investing in the prevention and control of Non-Communicable and Communicable Diseases with major focus on high burden diseases (HIV/AIDS, TB, Malaria, and Neglected Tropical Diseases) to improve the health of the population. The proportion of the population accessing Universal Healthcare is expected to increase from 44 percent in 2018 to 60 percent in 2025. Under 5 mortality rate is also projected to reduce from 64/1000 live births to 52/1000 live births; and the maternal mortality rate is expected to reduce from 336/1000 live births to 299/1000 live births. Life expectancy of the population is also expected to increase from 63 to 70 years.

In FY 2020/21 and over the medium term, Government will:

a) Improve the functionality of health facilities at all levels and improve the emergency and referral system.
b) Prioritize under-served areas for upgrading of Health Centre II, Health Centre III, IVs or Hospitals and construction of Health Centre IIIs and IVs.
c) Ensure that all Regional Referral Hospitals have imaging equipment for quality care.
d) Renovate old hospitals such as Masindi Hospital.
e) Increase resource allocation to the Regional Medical Equipment Workshops to improve their capacity to adequately repair equipment.
f) Establish mechanisms for leasing medical equipment under the Public Private Partnership Arrangements.

WATER AND ENVIRONMENT

The Water and Environment Sector continuously strives to ensure sustainable utilization and appropriate management of Uganda's environment and natural resources for improved

[219] Ministry of Health ASPR 2018/19

livelihood of the population. During the NDP II period, access to safe water in urban areas improved modestly from 77 percent in FY2017/18 to 79.1 percent in FY2018/19, against an NDP II target of 95 percent (100 percent in NWSC towns) by 2020. This improvement was partly attributed to increased intervention by Umbrella of Water and Sanitation project, and larger sector projects with wider geographical and population coverage. The total population served therein rose by 66 percent from 8.7 million in 2017/18 to 14.471 million people in 2018/19[220].

Policy and Regulation

During the FY 2019/20:

1. Parliament passed the National Environmental Bill 2017; and the Act became law in March 2019; and,
2. The sector launched the Water and Environment Refugee Response Plan (2019-2022).

Inclusive Access to Safe Water and Sanitation

Government interventions have sought to increase access to safe water and ensure adequate water for human consumption and production. This includes the development and management of the country's water resources, provision of safe water and hygienic sanitation facilities, catchment management and ensuring compliance to sector standards and regulations.

In FY 2019/20, Government[221]:

a) Conducted sanitation awareness and hygiene assessment activities in five sub counties of Rugarama, Kyangyeni, Kakindo, Kashozi, and Shuuku;
b) Conducted hygiene and Sanitation Supervision visits in Nakasongola, Dokolo, Karamoja sub-region, etc.;
c) Showcased water and sanitation technologies on 16-17th August 2019, in Lira;
d) Followed up on the hygiene and sanitation in the Model villages under Lira GFS in Manafwa-57 households in Buwerwe village, in Tororo Akisim village – 42 households and Kacholia 113 households;
e) Constructed the highway sanitation facility in Kiruhura to 19.8 percent completion with site clearance and earthworks done for the site; and
f) Carried out sanitation campaigns in Lorengai, Kalapata, Lorengacora and Orwamuge, Buyamba, Kambuga, Lwmiyaga,Karago, Buyamba, Kambuga, Lwemiyaga and Karago.

Rural Water

In FY 2019/20, Government:

a) Constructed 6 Gravity Flow Schemes (GFS) to different levels of completion (percent) in the districts of Sheema 89 percent, Ntungamo 15 percent, Manafwa 84 percent, Bukedea 95 percent, Ntoroko 98 percent and Ibanda 64 percent;
b) Constructed 4 Water Supply and Sanitation Schemes (WSS) to various levels of completion – Kabuyanda WSS (Isingiro) 65 percent; Nyamiyonga Katojo WSS (Isingiro) 95percent; Orom WSS (Kitgum) 17 percent; Lukalu Kabasanda WSS (Butambala) 44 percent;
c) Drilled 31 Point Sources (hand-pumped boreholes, production wells & large diameter wells) across the country;

[220] GAPR 2018/19
[221] Ministry of Water and Environment Ministerial Policy Statement FY2020/21

d) Successfully commissioned the 9 Rural Growth Centre Piped Water Systems in the Lake Kyoga Basin with support from Japan; and,
e) Monitored and supervised 6 valley tanks constructed under Water Supply and Sanitation Programme (WSSP) in the Districts of Apac and Otuke.

Urban Water

In FY 2019/20, Government:

a) Completed the Nakivubo Waste Water Treatment Plant Project. The liquid process stream is already operational and currently treating waste water. The construction of sludge digesters is still ongoing;
b) Completed the Kinawataka pre-treatment and pumping station. The plant was also commissioned and is now operational. System Monitoring is ongoing;
c) Continued the construction of Katosi – Kampala Drinking Water Transmission mains. Overall, 31.2 km has been laid (57.8 percent achievement). Tie-in reinforcements and concrete casting for the reservoir walls has also commenced;
d) Commenced the construction of Katosi – Kampala Drinking Water Treatment Plant. Overall construction works are at about 33 percent. Batching plant was installed and concrete works have commenced;
f) Completed construction works for the piped water systems in Bulopa town; and,
g) Constructed Kamuli Faecal sludge treatment plant with civil works at 98 percent.

Sustainable Environment and Natural Resources

Over the NDP II period, there has been significant reduction in the forest cover from 15 percent in 2010 to 9.5 percent in 2017 as well as wetland degradation and encroachment; from 11.9 percent in 2012 to 10.9 percent in 2017[222]. These changes are contributing to increased food insecurity, higher incidence of diseases, land degradation, loss of bio-diversity and shifts in the productivity of agricultural and natural resources.

Government has continued to implement policies to reduce wetland degradation and encroachment. The specific public services delivered by Government in this regard include forestry support services; metrological and climate monitoring services; and wetland ecosystem conservation and management services.

In FY 2019/20, Government:

a) Restored 180.9 km of critical wetlands in Lwere Bukedea (25 km), Nyamirembe in Bushenyi (60.9 km), Namakole in Mbale (20.7 km), wetland boundaries of Soroti and Asuret sub-counties (25.3 km) in Soroti district, Kibimba wetland in Gomba (28.4 km), Chosan- Cholol wetland in Nakapiripirit (36.3 km);
b) Developed management plans for Limoto wetland covering 1,025ha and Mtungwa wetland in Kanungu covering 1000ha. 4,018ha of degraded wetlands were restored;
c) Facilitated restoration planting and maintenance of 250ha of degraded sections of Mabira Central Forest Reserve using 100,000 indigenous tree species;
d) Restored 200ha of degraded sections on both sides of the Protection Zone of River Nile (Owen Falls to Isimba Hydropower dam) with bamboo;
e) Procured 300 pillars for demarcating the River Nile banks;
f) Engaged 1,065 Community members (320 Maziba, 296 Awoja and 449 in Aswa) in action planning for ecosystem conservation;
g) Procured and operationalized 6 tree nurseries in Aswa (3),Maziba (2) and Awoja;

[222] Ministry of Water and Environment ASPR 2018/19

h) Re-afforested 12.55ha with 7,430 seedlings in Awoja;
i) Commenced training of women groups engaged in the production of cook stoves in Maziba and Aswa to reduce levels of forest degradation;
j) Restored 750ha of degraded natural forest area through planting indigenous tree species (493 in Budongo, Bugoma & Wambabya, 15 in Karamoja - Mt. Moroto, 30ha in Bukaleeba,10ha in Namalemba ,130 in Mabira, 2ha in Lwamunda, 50 in Laura and 20ha in Enzeva); and
k) Involved the indigenous and local communities of Tepesi (Karamoja) in the restoration of Mt. Moroto forest reserve.

Effective Trans-Boundary Resource-Based management

In FY 2019/20, Government:

a) Developed and established the International Transboundary Water Resources Database, which is at the 70 percent completion mark;
b) Resurveyed and marked 53 km of forest boundary with concrete pillars; in Budongo (26 km), Zirimiti (5 km), Nakalanga (14 km) and Achwa River (8 km). Boundary-marking will reduce encroachment-conflicts and enhance protection of water sources in forest reserves;
c) Participated and coordinated the Trans-boundary cooperative and governance meetings; specifically, the 2nd Joint Ministerial Commission between Uganda and Ethiopia that was aimed at ensuring that decisions on water resources management and development are translated into action; and,
d) Undertook harmonized joint operations and national patrols on Lake Albert Lake Edward, where illegal activities were halted. 36 suspects were prosecuted from Mbegu (Hoima), Runga (Hoima), Kyeboro (Kikuube), Wakai (Bulisa) and Sabagoro (Kikuube).

During the NDP III period, Government will continue to increase access to safe water, sanitation and hygiene (WASH) across the country. In the subsequent FY2020/21 and over the medium-term, the sector will focus on constructing water supply systems for both urban and rural areas to reduce water collection waiting time, accelerate 100 percent water coverage for large towns under NWSC and umbrellas, increase functionality and utilization of water for production facilities, improve Water Resources Management in an integrated, sustainable and coordinated manner, protect, restore and maintain the integrity of degraded fragile ecosystems and intensify climate change interventions.

Specifically, Government will:

a) Construct 9 Gravity Flow Schemes (GFS), facilitate retention of 3 GFS, one Highway Sanitation facility and 40 solar powered Water Supply systems;
b) Facilitate the construction of 30 Water Supply and Sanitation systems;
c) Drill 285 hand pump wells,100 production wells and 70 large diameter wells;
d) Commence Development and Complete Bulk Water Transfer Master Plan;
e) Construct safe water supply systems in the rural areas to increase the number of water point systems and piped water supply systems;
f) Operationalize the New Operation and Maintenance Strategy by reviewing and strengthening community-based management systems through formation of functional water user committees;
g) Promote appropriate sanitation and hygiene technologies across the country taking into consideration vulnerable persons, persons living in areas within difficult soil formations, transient and fishing communities;
h) Promote waste segregation at the source using colour-coded bins for easy disposal and treatment;

i) Construct Improved Public Sanitation Facilities in Public Places and selected Institutions;
j) Enhance Forest based Tourism assets/attractions;
k) Maintain and restore all types of natural forests and supply quality tree seed and planting materials;
l) Protect and maintain the integrity of wetland ecosystems;
m) Demarcate wetlands boundaries to reduce extra encroachment and degradation;
n) Designate ecologically important wetlands as Ramsar Sites;
o) Develop and implement appropriate management plans; and,
p) Develop ecologically accepted livelihood options for the wetlands dependent communities.

SOCIAL DEVELOPMENT

Uganda's Social Development agenda envisions five broad outcomes: civility & dignity; cultural identity & values, social inclusion, community empowerment and social cohesion. Hitherto, Government has been preoccupied with ensuring social inclusion and empowerment of all the masses through promotion of employment and productivity, positive cultural values and rights for vulnerable groups. The human capital development priority area will focus on increasing the stock of a skilled and healthy workforce towards the production of human capital, to accelerate the realization of the demographic dividend.

Over the NDP II period, Government continued to prioritize social protection programs for vulnerable persons, with the Social Assistance Grant for Empowerment (SAGE) as a key frontline intervention over the medium term. Implemented since 2010, the key program intervention is a universal transfer of USHS 25,000 per month, provided to targeted older persons aged 65 years and above, and 60 in the Karamojong sub-region.

Social Protection

Uganda has an increasing number of older persons, with one in every six households having an aged person. Approximately 70 percent of these persons aged 65 years or older have some form of disability. These age-related disabilities limit their ability to earn own incomes, reducing their level of independence. At times, these lead to a loss of dignity and in certain cases, result in growing social exclusion[223]. A number of initiatives and programs have been put in place to support vulnerable groups such as the youth, Persons with Disabilities (PWD) and women. In FY 2019/20, Government[224]:

a) Provided funds to 165,999 Senior Citizens under the SAGE Programme, 66,084 of which were male and 99,915 female;
b) Trained 168 PWDs in carpentry and joinery, metal fabrication, cosmetology, handcraft, tailoring, leather work, food science skills at Mpumudde, Ocoko, Lweza and Kireka Rehabilitation centers;
c) Trained 430 youth in life skills at Ntawo, Semuto and Bamunanika centres;
d) Provided psyco-social services to 2,335 Children in conflict with the law (1,977 boys and 358 girls) at Remand homes;
e) Rehabilitated and resettled 641 street children (400 boys & 241 girls from Karamoja and other parts of the country;

[223] Ministry of Gender, Labour and Social Development
[224] Ministry of Gender, Labour and Social Development Ministeral Policy Statement FY2020/21

f) Mentored 516 technical staff (Production Officers, Community Development Officers, Finance Officers, Procurement Officers and Sub-County Chiefs) on implementation of YLP project activities; and
g) Procured Food and non-food items for five vocational rehabilitation centers and Jinja Home of the elderly.

Community Mobilization and Empowerment

Community Mobilization and Empowerment aims at empowering families, communities and citizens to embrace national values and actively participate in sustainable development. The key results of this intervention include increased participation of families, communities and citizens in development initiatives; enhanced media coverage of national programs; and better uptake and/or utilization of public services (education, health, child protection etc.) at the community and district level.

Government has continued to streamline 'mindset change' initiatives currently being implemented under Ministry of Information and National Guidance into one coherent, integrated and comprehensive program to increase their impact.
In FY 2019/20, Government:

a) Trained 2,460 Community Empowerment Learners in basic literacy and numeracy in the districts of Nwoya, Iganga, Mpigi and Namayingo. 1,962 of the learners were female and 498 were male;
b) Conducted an assessment on the state of community centres in 33 Local Governments and 12 Municipalities;
c) Monitored 13 Local Governments across the different regions in mapping of stakeholders and opportunities for promoting Culture & Family and the functionality of Language Boards; and
d) Supported 14 Cultural/ Traditional Leaders across the country with monthly emoluments.

In the subsequent FY 2020/21 and over the NDP III period, Government will:

a) Develop and Implement a National Guidance Strategy to harmonize interventions and communicate progress on development issues, aimed at increasing participatory civic engagement in decision-making;
b) Review school curricular with the view to increase students' consciousness on national values, ideology and national defense; and,
c) Explore the role of Faith Based Organizations, cultural institutions and families in re-orienting the mindsets of Ugandans to development.

Inclusive Development

Uganda's population is mainly comprised of youth aged 18-30 years. Hence, 64 percent of the labour force seeking employment are youth aged 18-30 years, and the number is growing at a faster rate than the creation of economic opportunities.[225] The inequality gap between women and men, and girls and boys in the control over and access to productive assets, resources, opportunities and services seems to be widening too.

In order to address this phenomenon, Government introduced the Youth Livelihood Programme (YLP) to improve the capacity of the youth to harness their potential and increase self-employment, productivity and competitiveness. The programme provides interest-free revolving funds of up to USHS 25 million to groups of youth (aged 18-30

[225] UNHS 2017

years). As at June 2019, a total of 241,799 youth, (46 percent were female and 54 percent male) had received funds under the YLP. Most of these have invested in Agriculture (32 percent), Trade (28 percent), Service (22 percent) and Industry (5 percent), among others. Overall, 273 groups had successfully implemented their projects and completed 100 percent repayment by June 2019[226].

In FY 2019/20, Government supported 1,262 women groups from different parts of the country with Women Enterprise, Capacity & Skills Development Funds benefiting about 15,000 women. In addition, technical support on gender mainstreaming was provided to a total of 17 Local Governments in the Central, Northern and Eastern regions.

Labour Productivity and Employment

A country's ability to achieve economic growth and improve the standard of living over time depends almost entirely on its ability to raise its per capita labour output. Uganda's human capital is characterized by low labour productivity, mainly attributed to the limited or outright lack of appropriate knowledge, skills and attitudes. Government has continued to promote skills development, as earlier explained in the Education sector (BTVET), in order to increase the productivity of the labour force. Skills development will enable citizens acquire a specific set of skills that can lead to gainful employment.

To promote decent employment opportunities and ensure compliance with labour laws and standards, Government in FY 2019/20:

a) Opened three Industrial Court Sub-registries in Masaka, Fort Portal and Mbale.
b) Inspected 698 workplaces for compliance with labour standards, occupational safety and health standards, safe labour migration, chemical safety and security.
c) Finalized the External Employment Management Information System.

Over the NDPIII period, Government will continue expanding social protection in a bid to reduce vulnerability.

In the subsequent FY 2020/21 and over the medium term and NDP III period, Government will undertake the following interventions:

a) Support 1,509,300 Senior Citizens (633,906 males and 784,836 female) from all regions under the SAGE Programme;
b) Train 13,200 Youth Interest Groups/Enterprises on financial management, procurement, marketing, group dynamics, life skills and record keeping;
c) Support 300 PWD groups with Disability Grants;
d) Train 300 youth with disabilities in vocational skills;
e) Conduct five training sessions for 480 CDOs on community mobilisation for food and nutrition security under Integrated Community Learning for wealth creation;
f) Disseminate the National Family Policy and National Parenting Manual to all Local Governments;
g) Develop a Psychosocial Support Manual for Vulnerable Families at Risk;
h) Support 50,262 women groups with Women Enterprise as well as Capacity & Skills Development funds;
i) Develop Research and Statistics guidelines on the Labour Market Information;
j) Develop the Employment Regulation on breastfeeding and childcare facility; and,
k) Develop a Curriculum on Apprenticeship, Oil and Gas.
l)

[226] GAPR 2018/19

6.4 JOBS AND INCOMES

Uganda faces a problem of low productivity and low job creation. One of the key objectives of the second National Development Plan (NDP II) was wealth and employment creation. The NDP II prioritised public investment to stimulate production, manufacturing/agro-processing and value addition in order to increase the number of jobs available and derive maximum benefit from Uganda's natural resource endowments. The key sectors that are expected to drive the jobs and incomes cluster include: - Agriculture; Trade, Industry and Cooperatives; Tourism, Wildlife and Antiquities; and Lands, Housing and Urban Development

The key NDP II strategies to increase employment and employability included:

i. Supporting private sector investment along the value chains in the NDP II priority sectors;
ii. Promoting value addition with consideration to restricting the export of raw inputs and imposing export levies on semi-processed inputs;
iii. Developing a comprehensive Human Capital Development Plan;
iv. Developing and operationalizing a Labour Market Information System;
v. Developing a National Local Content Policy;
vi. Instituting a mechanism for international standardization and certification for skills to ensure that Uganda's labourforce is internationally competitive;
vii. Strengthening and enforcing the legal and regulatory framework for management of immigrant labour;
viii. Developing programs targeting youth involvement in public works;
ix. Developing skills development programs tailored to the Industrial Development Strategy of the country.

Under NDP III, Government is targeting an economic growth rate of 7 percent, and GDP per capita of USD 1,301 in order to achieve lower middle income status. The need for rapid industrialization based on increased productivity and production in agriculture, while capitalising on the potential of the tourism, minerals, oil and gas sectors has been recognised.

TRADE, INDUSTRY AND COOPERATIVES

During the NDPII period, the Trade and Cooperative sub-sector largely focused on: increasing market access for Uganda's products and services in regional and international markets; improving the stock and quality of trade infrastructure; promoting the formation and growth of cooperatives; enhancing the capacity of cooperatives to compete in domestic and international markets; increasing the share of manufactured goods and services in total exports; increasing the diversity and range of enterprises undertaken by cooperatives; and improving Private Sector competitiveness.

Trade and Investment Agreements

Trade and investment agreements lower barriers to and boost trade and investment. In order to leverage on the possibilities on offer, Government progressed on the following fronts in FY2019/20:

a) Participated in the launch of the operational phase of the Africa Continental Free Trade Agreement (AfCFTA) during the 12th Extraordinary Session of the Assembly of the African Union (AU);

b) Endorsed the Partnership Agreement between Trade Mark East Africa (TMEA) and the AU, to boost the implementation of the AfCFTA by supporting AU's Boosting Intra-Africa Trade Initiative; and
c) Signed Agreements with the Democratic Republic of Congo to work on key road networks connecting the two countries within 24 months. The 3 key road networks whose total distance will be 1,182km include Goli–Mahagi–Bunia, Mpondwe–Beni and Bunagana–Rutshuru–Goma.

In FY 2020/21, Government will:
a) Embark on dismantling of tariffs in partnership with other AfCFTA members by 1st July 2020, to allow for the commencement of trading within the AfCFTA regime on the same day; and
b) Prioritise the commencement of the process to harmonise critical policies and putting in place the requisite institutions to attain the EAC single currency by 2024, as outlined in the EAC Monetary Union Protocol.

Policy and Regulatory Reforms

The following were achieved in FY2019/20:
a) The National Accreditation Bill was tabled for first reading in Parliament, and forwarded to the relevant Parliamentary Committee for scrutiny;
b) The Competition and Consumer Protection Bill was finalized;
c) The National Sugar Bill was enacted into law following H.E the President's assent to it on Friday 24th April, 2020.
d) The Principles of the Industrial and Scientific Metrology Bill and the Principles of the Legal Metrology Bill were submitted to Cabinet for discussion;
e) The draft National Industrial Policy (NIP) was concluded and validated;
f) The National Industrial Sector Strategic Plan was reviewed; and.
g) The BUBU Logo was gazetted and guidelines for use developed.

In FY2020/21, Government plans to fast-track approval of the following:
a) The Principles for the National Alcoholic Drinks Control Bill, 2018;
b) The proposed Amendments to the Principles for the Competition and Consumer Protection Bills;
c) Finalise, launch and disseminate the National Industrial Policy.
a) Amend the Industrial Licensing Act and develop Industrial Park Guidelines to support and regulate manufacturing industries
b) Establish a National Accreditation Service Centre to enhance competitiveness of Uganda's goods and services

Quality Assurance and Standards

By the end of March 2020, the Uganda National Bureau of Standards (UNBS) had published 3,622 national Standards[227], in addition to a range of other regional and international standards. Over 1,900 permits for the use of Q-Mark had been issued, and these are expected to increase to over 3,000 by end of FY2019/20.

In order to achieve the requisite standards in FY2019/20, the Uganda National Bureau of Standards (UNBS):

[227] Uganda Standards Catalogue – As at 31st March 2020

a) Launched the National Standardization Strategy (2019–2022) in September 2019. It is aimed at improving the competitiveness of Uganda products and services on the domestic, regional and international markets. Government is expected to spend USHS 4.6 billion to effectively develop 2,064 priority standards in key sectors, systems and services;
b) Closed factories whose polythene bags were below 30 microns contrary to UNBS Act Cap 327 and Clause 4.6 of US 773:2007;
c) Acquired the Optical Emission Spectrometer (OES), a machine used to test chemical composition of steel and aluminium metal products. The new machine supplements the Universal Testing Machine (UTM) which has been used to test the strength of the steel products;
d) Embarked on an inspection programme aimed at verifying the weights and sensitizing distributors on the quality and safety requirements of Liquefied Petroleum Gases (LPG);
e) Opened up state of the art food safety laboratories to enhance safety and quality of food through testing of food products for contaminants and for assessment of product quality and nutritive value. Uganda's laboratories currently act as Centres of Excellence;
f) Digitalised the verification and calibration of weighing equipment was to increase efficiency and reduce turnaround time; and
g) Revised the procedures for Import Clearance, validation of Certificates of Conformity (CoC) for general goods and the Certificate of Road Worthiness (CRW) for motor vehicles.
h) Decentralized the operations of market surveillance and product certification, in the regional offices in Gulu, Mbale and Mbarara

Under the NDP III programme interventions, Government plans to strengthen research standards and quality assurance through formulation of regulations and enforcement. To further deliver effective standards and quality assurance in FY2020/21, Government intends to:
a) Finalize the draft East African Standards (DEAS 993:2019) for baking powder and the draft Standards for Table Honey (DEAS 36-1:2019);
b) Develop 2,064 priority standards for sectors such as chemicals, consumer products, engineering, food and agriculture, and the systems and services indicated in the new National Standardization Strategy (2019-2022);
c) Pursue efforts geared towards deepening and strengthening the decentralization of UNBS services in regional offices of Gulu, Mbale and Mbarara; and
d) Increase engagements and collaboration with Local Governments and partners to reduce substandard goods on the market.

Trade Facilitation

Long waiting times at borders, inappropriate fees, cumbersome formalities, and inadequate or unclear rules and regulations, can all become serious obstacles to trade. Consequently, these can adversely affect investment, employment and trade-led development. According to the World Bank Doing Business Report 2020, Uganda was ranked 116 out 190 countries that were surveyed. This was an improvement from 127 in 2019.

In FY2019/20, Government:
a) Obtained a grant of US$1.4 million from TMEA to support the Ministry of Trade, Industry and Cooperatives in eliminating the Non-Tariff Barriers (NTBs) currently

constraining the flow of trade. The funds will finance and strengthen operations of the Ministry's National Monitoring Committees (NMCs) on NTBs;

b) Participated in fast-tracking the operational phase of the AfCFTA, which was launched in Niamey, Niger on 7 July 2019;
c) Commenced the development of Elegu Aggregation Centre in Amuru district. It will be tasked with buying surplus commodities from farmers and small producers (including refugees), and finding a market for them. It will also facilitate both Uganda and South Sudan's cross border trade;
d) Reduced the electricity tariff cost from USHS787.3 to USHS501 per unit[228], which resulted into a sharp growth in electricity exports. The 50 percent tariff reduction increased Kenya's electricity imports by 67 percent;
e) Finalised the integration of the Single Clearance Portal System to reduce clearing time at border posts and improve efficiency. It implies that all goods with valid Certificates of Conformity (CoCs) and Certificate of Road Worthiness (CRW) for motor vehicles will be cleared automatically by URA, without subjecting them to further assessment from UNBS; and
f) Introduced the Digital Stamp System to help URA improve its collection efficiency and also reduce the supply and entry of counterfeits. The system was implemented in November 2019.
g) Koboko district signed an MoU with Denmark on 10th February 2020 through their implementing agency the Northern Resilience Programme (NURI). The district is expected to implement a two-year USHS84 billion project (2020-2021) to strengthen agriculture and marketing, agricultural infrastructure and train the community on mechanized and modern agriculture practices;

In FY2020/21, the EAC Partner States intend to set up the EAC Investment Helpdesk and a Buyer-Seller Online Platform by June 2020. Both facilities will be expected to increase intra-EAC trade by creating awareness and markets for products manufactured within the region.

During the NDP III period, Government plans to take full advantage of Uganda's regional connectivity (East and Central Africa) through the Northern and Central Corridor transport projects. The EAC has prioritized ten international road transport corridors (the East African Road Network) totaling 15,800km, while China has introduced the Maritime Silk Road linking China to East Africa across the Indian Ocean and up through the Suez Canal into the Mediterranean Sea, to European markets.

TRADE INFRASTRUCTURE

Under the National Development Outlook, one of the development strategies is consolidating and increasing the stock and quality of productive infrastructure. The NDP III is cognizant of the need to maintain investment in productive infrastructure to reduce the cost of doing business.

In FY2019/20:

a) The Inter-governmental Authority on Development (IGAD) finalized the Regional Infrastructure Master Plan, where the Kampala–Juba–Addis Ababa–Djibouti transport corridor was prioritized for upgrade and expansion. This is intended to spur regional

[228] UMEME website

development through easier movement of commodities and people in the Eastern Africa region; and

b) Government, with support from EU, embarked on the construction of a business hub in Otuke District under the Development Initiative for Northern Uganda (DINU). Once completed, the facility will house shops, hotels and financial institutions and enhance market opportunities.

Inland Ports

During the Lake Victoria integrated transport project consultative meeting, Uganda, Tanzania, Kenya and Rwanda agreed to build new ports and refurbish the existing ones on Lake Victoria to support movement of passengers and cargo. The proposed port projects include Port Bell, Jinja, Bukasa in Uganda; Kisumu in Kenya; together with Mwanza, Musoma and Kemondo Bay in Tanzania.

Government has also earmarked USHS15 billion to start compensation of residents of Bukasa in Kira Municipality, paving way for the construction of the Bukasa Port, 2,700 residents will be compensated to the tune of about USHS29 billion.

Under the NDP III planned interventions, Government will continue to construct/rehabilitate/upgrade marine/water routes, including 20 docking piers on Lake Victoria.

Urban Markets

By September 2019, progress on civil works in the 10 markets of Arua, Soroti, Tororo, Busia, Lugazi, Kitoro–Entebbe, Masaka, Mbarara and Kasese was at 12.5 percent. Progress on the two markets of Kitgum and Kabale was at 10 percent.

Moroto's USHS20 billion Lopeduru market was at 92 percent completion rate. Government also committed USHS18 billion towards the construction of an agriculture value addition facility in Soroti Municipality.

Border Markets

In FY 2019/20, Government, through Ministry of Trade, Industry and Cooperatives:-

a) Finalized the development of the Master Plan and Environmental Impact Assessment for Kikagate Border Export Zone (BEZ);
b) Launched the Feasibility and Design Studies for Mpondwe BEZ;
c) Finalized the Memorandum of Understanding (MoU) with Namisindwa District for the development of Lwakhakha Border Export Zone:
d) Procured construction services for key facilities (including warehouses and nucleus markets) at Katuna, Busia, Oraba and Lwakhakha BEZs;
e) Continued with the improvements in streamlining cross border trade. Currrently 11 out of the 15 border towns earmarked to operate as One Stop Border Posts (OSBP) are operational. The OSBP arrangement brings together under one roof, all the Government agencies performing border crossing controls procedures, doing away with the need for motorised traffic and persons to undergo clearance twice at both sides of the border.

In FY 2020/21, Government will:-

a) Finalise the development of cross border export zones at Katuna, Busia, Lwakhakha, Oraba and Elegu including provision of utilities to enhance value addition and value chains of the border markets; and
b) Initiate the development process of the remaining four (4) One Stop Border Posts (OSBP);

Government's planned interventions under the NDP III include the provision of incentives for the acquisition of refrigerated trucks and warehouses at border points. This is expected to improve transportation and logistics facilities for effective product marketing and distribution at border markets.

Warehouse Receipts System

In FY2019/20:

a) The Uganda Warehouse Receipt System Authority (UWRSA) was officially launched on 16th October 2019. It is a One Stop Centre for all farmers, warehouse operators, traders and institutions;
b) UWRSA also conducted sensitization exercises for the political leadership of Teso and Karamoja regions, to introduce the Warehouse Receipt System; and
c) Government in conjunction with European Union, embarked on a project to construct warehouses at the proposed Border Export Zones of Busia–Masafu, Kabale–Katuna and Kagoropa–Oraba.
d) Rolled out the electronic Warehouse Receipt System, which is used for generation of warehouse receipts. This has improved quality of the produce and infrastructure.
e) Launched the Warehouse and Warehousing Standard for Bagged Cereals and Pulses. The standard has since impacted development of standardized storage.
f) Sensitised Local Government Executives of Teso, Karamoja, Bugisu and Busoga regions about Warehouse Receipt System operations.

In FY 2020/21, Government will:

a) Support development of infrastructure (storage, ICT, standards) to promote the warehouse receipt system;
b) Develop and review product standards developed with support from UNBS;
c) Develop the capacity of warehouse staff in Warehouse Receipt operations including inspection of warehouses; and
d) Promote development of Financial Products to operationalize the Warehouse Receipts System.

The second objective of the Agro-industrialization programme under NDP III is to improve post-harvest handling and storage of agricultural products. In the NDP III period, Government intends to:

a) Build 3 regional bulk markets in Acholi sub-region to facilitate agribusiness and trade within East Africa. These shall be located in economic development clusters such as Kitgum, Elegu in Amuru and in Gulu district. These facilities will be built by the Program for Restoration of Livelihoods in Northern Uganda (PRELNOR) under Market Linkages and Infrastructure Component, with co-funding from the International Funds for Agricultural Development (IFAD) and the Government of Uganda;

b) Construct a USHS29 billion modern market in Kamuli with funding from the World Bank's Uganda Support to Municipal Infrastructure Development (USMID) project. The Municipality already contacted a consultant to carry out a physical development plan for the market.
c) Strengthen the partnership with a London–based private equity firm (ARCH Emerging Markets Partners Ltd), which is desirous of establishing a US$30million in end-to-end cold chain (storage and transportation) value chain. It will build logistics facilities and operate temperature-controlled warehouses and with financing from South Africa's state-owned Industrial Development Corporation (IDC).

Industrial Development

Industrial development is premised on the promotion and pursuit of sustainable private investment, a conducive business environment, adoption of appropriate technologies and appropriate infrastructure. Whereas Government is responsible for formulation of policy and regulatory frameworks to provide a conducive business environment for private investment, the private sector needs to be able to respond to these stimuli by undertaking the investments, particularly to add value to raw materials, create new jobs, etc.

The overall development strategy of the NDP III, whose theme is *'Sustainable Industrialisation for Inclusive Growth, Employment and Sustainable Wealth Creation'*, is hinged on the need for rapid industrialization in order to propel the country into lower middle income status.

The NDP II focus areas included development of value added industries in agriculture and minerals; increasing the stock of new manufacturing jobs; enhancing the use of Standards; quality infrastructure; promoting and accelerating the use of research, innovation and applied technology; and promoting green industry and climate-smart industrial initiatives.

The proportion of the industrial sector's contribution to GDP in Uganda rose from 20.6 percent in 2012/13 to 24.5 percent in 2019/20. The economy reported strong growth in 2019, estimated at 6.3 percent. Industrial growth was at 6.2 percent, largely driven by construction and mining. Currently, it is estimated that industrial productivity is seven to eight times higher than that in the services and agriculture sectors. However, it is not growing fast enough to absorb the approximately 600,000 youth entering the job market annually[229].
To accelerate the country's industrialization agenda and increase the contribution of industry to GDP and job creation, the promotion of investment through a quasi-market approach will be required, particularly in the following areas: a) Agro-industry; b) Beef and dairy products; c) Cotton, textile and apparel; d) Wood products; e) Cassava; f) Palm oil; g) Mineral beneficiation; h) Petro-chemicals; i) Packaging, paper and paper products; etc[230].

In FY2019/20:

a) Government, through Uganda Development Corporation (UDC), partnered with the Korean Government (KOICA) to set up a fruit processing factory in Soroti. The factory has installed capacity to process 6 metric tons of oranges per hour, 4 metric

[229] Uganda Economic Outlook, ADB
[230] Second National Development Plan, NPA

tons of pineapples per hour, and will employ more than 100 people directly. Its operations also provide significant linkages;

b) NAADS officially handed over the construction site of Yumbe Mango Processing factory to a new contractor, China Huangpai Food Machinery Company (U) Ltd, to expedite its expansion and completion. This is a value addition initiative by NAADS Secretariat in partnership with Food and Nutrition Solutions Ltd (FONUS) and Aringa Mango Farmers' Cooperative Society.
c) Balaji Group of Companies constructed SR Afro Chicks and Breeders factory, which was commissioned on 22nd November 2019 by H. E. the President. The factory is set on a 200 acre piece of land. It employs over 1,000 Ugandan youth and produces a million eggs per day. The establishment also breeds off layers, broilers and produces animal and chicken feeds;
d) Nyakihanga Fruit Processing Factory located in Nyongozi ward, Nyamukana town council in Ntungamo district was commissioned in January 2020. With support from Uganda Industrial Research Institute (UIRI), the factory has the capacity to produce 1,000 litres of juice per hour from 700 pineapples. The factory will be managed by Nyakihanga Fruits and Vegetable Growers Cooperative Society Limited; and
e) Government is finalising the construction of a fruit processing factory in Nwoya district.

Industrial Parks

Government developed the National Strategy for Private Sector Development (NSPSD) 2017/18-2021/22 to boost investor confidence for enterprise development and industrialization, targeting improvement of business environment and value chains, and supporting firm productivity and professionalism.

In FY2019/20, Government:

a) Secured US$200 million from UK Export Finance for the development of infrastructure at Kampala Investment Business Park (KIPB) in Namanve, Mukono District. This followed the signature of an MoU with the UK-based contractor, Lagan Group Ltd. This MoU will see UIA oversee the project management and supervision activities. The project is planned to run for 42 months.

   It is estimated that the project will create 25,484 direct jobs in the construction phase, a further 39,800 in the short term and over 200,000 jobs once the industrial park is fully operational;
b) Commenced the expansion of electricity network in Kapeeka Industrial Park in Nakaseke District. During this process, UMEME will add a 15km line to pick power from a transmission substation and move it to the manufacturing estate. UMEME will also install 19 transformers to serve the industries therein;
c) Acquired 78.2 hectares of land strategically located at Oraba, Koboko district for the development of Oraba Industrial Park. Uganda Investment Authority (UIA) will develop the park in an area that is suitable for investors targeting to manufacture goods for consumption in Uganda, Democratic Republic of Congo, South Sudan and Central African Republic, etc.; and
d) Facilitated the development and works in the Industrial and Business Parks located in the KIBP at Namanve, Mbale and Kapeeka. Most of the ongoing interventions are related to the establishment of requisite infrastructure such as roads, bridges, traffic management systems, water distribution, waste management and electricity. The detailed status is indicated in the Table below.

Table 6.15: Industrial Park Development for FY2019/20

Industrial & Business Park	Ongoing Interventions	Existing Operators	Projected Impact	Status of the Park
Tangshan in Mbale	• Power supply increased by 10MW by March 2020 • A 50MVA mobile substation will be installed by June 2020. • Commissioning of a 132/33KV substation expected in 2021.	• Pearl Light Technology Ltd • UBON Technology Ltd • Victoria Cables Ltd	• 618 sq.km of industrial land for development • 55 factories • 800 jobs created. • 16 percent of workers earn above USHS 50,000 with prospects to increase the wage floor after adequate skill transfer.	• 3 factories operational • 6 factories under construction • 20 acres have been developed
Liao Shen in Kapeeka		• Holy Love Industries • Lurtex Textiles • Nana shoe factory • Shenze industries • Gaga processing factory • Namunkekera Agro Industries • Wuxi Tiayui • China Uganda Exchange Club	• 9 factories commissioned in November 2019 • 2,500 jobs created • Projected jobs to rise up to 8,000 by mid-2020.	
Kampala Industrial Business Park (KIBP) in Namanve	• Ground-breaking ceremony was held on 12th February 2020 for a project to revamp the Park's infrastructure. • ¬249 million secured for revamping infrastructure	• Over 50 factories are now operational	• The development phase of the project is expected to yield 8,000 high skill jobs, 15,000 direct low skill jobs, and 20,000 indirect jobs. • At full operation, KIBP will create 200,000 jobs • 291 industries	• 50 operational factories • Over 11,000 employment opportunities created • About 99 companies are constructing their facilities • Currently, the tarmacked road network, water connection and power network are at 16 percent, 30 percent and 18 percent completion, respectively.

Source: Uganda Investment Authority, March 2020

In FY2020/21, Government also plans to start the construction of two Industrial Parks in Rwenzori region i.e. in Kasese and Kabarole. USHS 10 billion has already been earmarked for construction of these agro-processing Industrial Parks. Construction will commence under the Agricultural Local Economic Development Initiative (AGRI-LED).

Free Zones

Since the establishment of the Uganda Free Zones Authority (UFZA), the Free Zones scheme registered an increase in investment and exports, driven by growth in global markets for processed agricultural and high-value mineral products.

In FY2018/19, actual capital investment in Free Zones stood at US$ 175.63 million, up from US$61.57 million recorded in FY2017/18. Total export earnings grew by 11.3 percent, from US$ 57,392,015 in FY2017/18 to US$ 63,836,296 by the end of FY2018/19. Total employment grew by 13.2 percent, from 7,456 jobs generated in FY2017/18 to 8,438 jobs in FY2018/19.

In FY2019/20:

a) The total number of gazetted private Free Zones rose from sixteen (16) in FY2018/19 to twenty one (21) in FY2019/20. By the end of Quarter 2 FY2019/20, these Zones had generated US$ 30.4 million in export earnings.
b) The Feasibility Study, Master Plan, Architectural and Engineering Designs, and the Environmental and Social Impact Assessment Study of the Entebbe Airport Free Port Zone had been completed by the end of Quarter 3 FY2019/20. The Free Zone will target at least six (6) Private entities and one (1) Anchor firm. The priority is to have Operators engaged in light manufacturing, agro-processing and high value mineral processing activities. .
c) UFZA, in partnership with TradeMark East Africa (TMEA), undertook the Feasibility Study for the development of a Free Zone in Jinja Industrial Park. The Free Zone will target investment in the Textile and Garment Industry.

In FY2020/21:

a) UFZA will also target private Developers for the planned Free Zones in Jinja, Soroti and Kasese. Once completed, each Free Zone is projected to attract about 40 factories, and create more than 2,400 jobs.
b) Commence phase-II construction works for the Free Port Zone at Entebbe International Airport.

The overall development strategy of the NDP III, whose theme is *'Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation',* is hinged on the need for rapid industrialization in order to propel the country into the lower middle income status. At the end of NDP III the contribution of Industry to GDP is expected to increase from 18.6 percent to 25 percent.

Under the NDP III planned interventions for Industrial Parks, Government intends to construct 4 fully-serviced industrial parks (1 Park per region). The focus is partly on evacuation and transmission of the electricity already generated to areas where it can be utilized i.e. industrial establishments.

Investment Promotion and Facilitation

In FY2019/20, Government achieved the following:

a) The One Stop Centre at UIA is almost fully operational. Out of the 15 core Agencies required to render services through their respective stalls at the OSC, 12 Agencies have operational offices;
b) The development of an online portal is about 50 percent complete, considering that only about half of the envisaged services have been launched. The development of the rest of the services is ongoing and launch tests for TIN, Trading Licenses and others, are ongoing;
c) With a target of 30,000 transactions for FY2019/20, UIA hit over 40,000 transactions within the first half of the year (June to December 2019). Between December 2019 and March 2020 (before the COVID-19 pandemic) transactions at the One Stop Centre electronic portal hit the 22,000 mark; and
d) On the Business Licensing reforms, as at November 2019, 56 percent of the licenses had either been eliminated, streamlined, reclassified or amalgamated and 36 percent of the licenses were being handled within the respective Government Agencies, in line with Business Licensing Regulatory Reform Committee (BLRRC) recommendations.

Table 6.16: Status of Implementation of the Business Licensing Reform Committee recommendations

License Category	Status			
	Completed (56percent)	Ongoing (36percent)	Contested	Retained
41 licenses to be eliminated	11	30		
294 licenses to be streamlined	185	82	7	20
8 licenses to be amalgamated into 4		8		
5 licenses to be reclassified		4		1
Total progress on 348 licenses	**196**	**124**	**7**	**21**

Source: PSDU data / BLRRC Report 2019

In FY2020/21:

a) Government, will finalise the construction of the Uganda Business Facilitation Centre (UBFC) through the Competitive and Enterprise Development Project (CEDP), so as to operationalize both the physical and Online One Stop Centre in line with the Investment Code Act managed by UIA.

Micro, Small and Medium Enterprises

Despite generating over 80 percent of Uganda's national output and employing majority 90 percent of its labourforce; Micro, Small and Medium Enterprises (MSMEs) only contributed to 10 percent of export revenue and continue to struggle in the export markets. MSMEs continue to face a myriad of well-documented challenges. The biggest challenge remains access to affordable capital.

In FY 2019/20, Government:

a) Mobilized, vetted and supported 200 MSMEs to participate in the 20th EAC SMEs Exhibition in Kigali, Rwanda.
b) Updated the national MSME database with data from 370 MSMEs in the Eastern and Western regions;

c) Built Capacity of over 1,100 MSMEs in different regions of the country.

In FY2020/21, Government has committed to:

a) Establish national and regional technology Incubation Centres for nurturing MSMEs and start-up enterprises;
b) Strengthen Standards development, quality infrastructure and processes in MSME production;
c) Establish the National Micro, Small and Medium Enterprises (MSMEs) Forum, to coordinate MSME interventions/activities; and
d) Increase the percentage of formalised MSMEs in domestic and export market by 15 percent.
e) Increase the percentage of MSMEs implementing good business and technical management practices from 48 percent to 54 percent.

In the NDP III, Government intends to sustainably lower the cost of doing business for MSMEs. This will be through increasing access to affordable credit, increasing access to long term financing, mobilizing alternative financing options and addressing non-financial constraints to lower costs of doing business. The capitalization of UDB will also be a top priority.

Cooperatives

Over the NDP II period, Government focused on a) Promotion of the formation and growth of cooperatives; b) Enhancement of the capacity of cooperatives to compete in domestic, regional and international markets; and c) Increasing the diversity in type and range of enterprises undertaken by cooperatives.

The strategic interventions included:

i. Implementation of the National Cooperative Development Policy;
ii. Revitalizing the Uganda Commodity Exchange;
iii. Improving access to financial services for the co-operative institutions;
iv. Improving the supervision and audit cooperative societies;
v. Provision of advisory services to farmer cooperatives;
vi. Reviewing and upgrading of Kigumba Cooperatives College as a Centre of Excellence in cooperatives skills development;
vii. Establishing an Agricultural Commodity Marketing Fund to promote collective marketing;
viii. Strengthening governance and commodity marketing infrastructure of the Cooperatives;
ix. Strengthen the cooperatives information systems;
x. Supporting the re-establishment of the co-operative based inputs delivery system to avail quality inputs to the members; and
xi. Supporting and facilitating cooperative society members to acquire mechanization, irrigation equipment, farm-level post-harvest handling technologies and other appropriate technologies.

In FY 2019/20:

a) Aringa Mango Farmers' Cooperative Society commenced works to establish the Yumbe Mango Processing factory;

b) Nyakihanga Fruits and Vegetable Growers' Cooperatives Society acquired the operation and maintenance rights of Nyakihanga Fruit Processing Factory in Ntungamo district, from Uganda Industrial Research Institute (UIRI);
c) Cooperative Societies Amendment Act was signed by the President on November 6^{th}, 2019. The act is expected to strengthen the regulations and supervison of all types of cooperatives.;
d) 40 cooperatives were inspected, 1,021 cooperatives registered, 64 cooperatives audited, 20 cooperatives investigated and 912 cooperatives supervised.

In FY2020/21, Government intends to achieve the following:

a) Through a new Presidential initiative (the 'Emyooga' Initiative) which was launched in November 2019 , Government plans to support youth groups, SACCOs and cooperatives with USHS30 million seed capital each. The Emyooga Initiative is expected to achieve at least two SDGs i.e. SDG 1 – ending poverty, and SDG 11 – sustainable cities and communities[231];
b) Continue the implementation of the Cooperative Societies Amendment Act 2019;
c) Revive Cooperatives for viable commodities to control the full spectrum of agro-manufacturing value chains ; and
d) Support women,youth groups and cooperatives through provision of value addition skills and equipment;
e) Revitalize the Cooperative Movement by mobilizing collective resources through cooperatives;
f) Earmark resources to the tune of USHS 100 billion for the new initiative to ensure financial empowerment programmes that include Northern Uganda Social Action Fund (NUSAF), Operation Wealth Creation (OWC) and Youth Livelihood Programme (YLP).

Local Content

In order to promote competitiveness of domestic enterprises and products, many jurisdictions are prioritizing and promoting the consumption of domestic products.

In FY2019/20::

a) Government continued to promote the Buy Uganda Build Uganda (BUBU) Policy;
b) Government introduced tax measures aimed at increasing tariffs on imported products which are manufactured domestically;
c) The National Local Content Bill, 2019 was passed by Parliament on 21^{st} May 2020. The Bill spells out local content obligations on all government contracts, licences and public money to proritise Ugandan goods, citizens and residents and companies among other localisation measures.
d) Parliament also passed the Public Procurement and Disposal of Assets Ammendment Bill 2019 in February 2020 to provide for electronic records and communications; aggregation of procurement requirements and inclusion of marginalised groups under reservation schemes.
e) H.E the President launched the construction of the first national Innovation Hub at the Uganda Institute of Information and Communications Technology (UIICT), Nakawa. This is intended to reduce importation of software and increase the uptake of domestically developed ICT products;

[231] Microfinance Support Centre, March 2020

f) Government promoted international accreditation and certification of vocational training institutes in order to meet the oil sector requirements. Three institutions have so far acquired City and Guilds certification. In addition, UPIK is in advanced stages of acquiring accreditations from International Construction Industry Training Board, American Welding Society and the French Institute of Petroleum; and
g) UNOC and Stanbic Bank signed an MoU to support MSMEs through a Business Incubator Project. In order to generate momentum in the Oil and Gas sector, MSMEs will undergo specially packaged training and capacity building.

Over the NDP III period, Government will:
a) Scale up interventions to increase the use of domestically procured commodities through the use of preference schemes and investment in supplier development programs;
b) Partner with the private sector to undertake workforce development programs to promote employment of Ugandans; and
c) Increase the promotion of Local Content and value addition of Uganda's products; and
d) Set up four regional Innovation Hubs in Gulu, Mbarara, Mbale and Arua.

AGRICULTURE

The agricultural sector contributes 22[232] percent of GDP and accounts for more than half of the country's export earnings (54 percent; EMF World Bank, 2019). Approximately 72 percent of the working population is engaged in agriculture[233], which also provides the first job for three-quarters of those aged between 15 and 24 years.[234]78 percent of the Ugandan population lives in rural areas, where farming is the predominant economic activity[235]. At the same time, agro-processing is the backbone of the manufacturing sector, accounting for approximately 60 percent of its total output.

During the NDPII period, the sector was expected to significantly contribute to wealth creation and employment by ensuring sustainable market-oriented production, providing food security and contributing to household incomes. The sector prioritized:
a) Increasing production and productivity;
b) Addressing challenges in selected thematic areas such as mechanization, farm inputs and Water for Agricultural Production;
c) Improving agricultural markets and value addition in the 12 prioritized commodities; and
d) Strengthening institutions for agricultural development.

Policy, Regulatory and Institutional Reforms

a) Cabinet approved 15 guidelines for regulating the growing of medical marijuana in Uganda. Companies seeking to grow or export marijuana would also be required to present evidence of minimum capital holdings of US$5 million and a bank guarantee of USHS4 billion; and
b) UNBS, with support from the Commonwealth Standards Network program (CSN) embarked on a process to simplify standards in key agricultural value chains i.e. rice, pineapples, avocados, shea nut and soy beans. UNBS developed easy to

[232] MAAIF, Sector Contribution to the Budget Speech May 2020.
[233] MAAIF, Sector Contribution to the Budget Speech May 2020.
[234] Uganda Bureau of Statistics
[235] UBOS,2016

understand dissemination materials for farmers as a means of ensuring increased compliance to standards. As a pilot, the simplified guidelines shall be translated to six local languages.

In FY2020/21, Government will adopt the new Agriculture Sector Strategic Plan (ASSP) for the period 2020/21–2024/25, which will provide more details on the sector priorities and the planned investments outlined in NDP III.

Agriculture Production and Productivity

The key interventions for increasing agricultural production and productivity in the NDP II period included:

a) Strengthening the ecologically sound agricultural research and climate change resilient technologies and practices;
b) Implementation of the Single Spine Agricultural Extension system, while promoting gendered innovation in agricultural research centres and extension services;
c) Strengthening quality assurance, regulation and safety standards for agricultural products;
d) Increasing access to agricultural finance;
e) Accelerating the development and commercialisation of the prioritised agricultural commodities;
f) Increasing market access and improving physical agricultural infrastructure;
g) Controlling pests, diseases and vectors;
h) Enhancing consumption of diverse foods at household level;
i) Development of early warning systems to prevent and mitigate shocks affecting nutrition and food security;
j) Promotion of commercial agriculture, particularly among small-holder farmers;
k) Strengthening the formation of Farmer Groups and commodity associations, platforms, federations and Co-operatives;
l) Enhancement of Sustainable Land Management Practices (SLM); and
m) Promotion of technologies that save time and labour, targeting female farmers.

To increase agricultural production and productivity in FY2019/20:

a) NAADS, in partnership with Engineering Solutions (U) Ltd (ENGSOL) trained 560 tractor operators at Mukono Zonal Agriculture Research and Development Institute (MUZARDI) to operate the 280 tractors that will be given farmer groups. NAADS and OWC have also been distributing tractors to farmers countrywide; and
b) Two UK-based companies i.e. Alvan Blanch Development and Colas UK, partnered with Government through Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) to provide multiple post-harvesting systems countrywide. As part of the US$155 million investment, the partners will manufacture, supply and install systems to boost crop production and post-harvest handling.
c) Government signed contracts worth ¬27million with nine organisations to carry out new projects in Northern Uganda under the Development Initiative for Northern Uganda (DINU) programme. The projects will focus on increasing production of food, expansion of market opportunities for farmers, etc.
d) The Indian High Commission extended a US$205 million loan to Uganda. Of this, US$64 million will be directed towards modernising agriculture and dairy production.

In FY 2020/21, Government will:

a) Strategically provide an enabling environment for increased pasture production and increased availability of animal feeds. Public Private Partnerships with credible investors into the manufacturing of animal feeds will be explored more in the medium term;
b) Increase the percentage of farming households that have adopted commercialized agriculture to 22 percent;
c) Attain a 30 percent increase in yields of priority and strategic commodities; and
d) Increase the number of farmers equipped with skills in post-harvest handling technologies, and value addition, to 50 percent.

Pests and Diseases

According to ASSP 2015, the sector targeted to reduce the losses from pests and diseases from an average of 30 – 40 percent to below 10 percent by 2020. The control of diseases, pests and vectors aimed at reducing the prevalence of production and trade sensitive diseases, creating orderly livestock, crop and fisheries marketing protocols and improving the public sanitary and phytosanitary control systems to ensure that value-added products do not transmit pests and diseases. The key strategies included: a) strengthing the crop and livestock pests and disease control regulatory framework through formulating, reviewing and operationalisation of supportive policies, legislation, standards and guidelines; b) strengthening the pest and disease surveillance, forecasting, monitoring and diagnostic system to enable timely and effective control of pests and diseases; c) strengthening the quarantine system to protect Uganda's agriculture against foreign pests and diseases; and d) supporting the plant and animal health inspection and certification services, to ensure that Uganda's exports are free of pests and diseases and are competitive in the international markets.

Government, in collaboration with the Food and Agriculture Organization (FAO) launched a new Technical Cooperation Programme (TCP) called '*Response to the containment of tick resistance and tick-borne diseases in Uganda*'. The project will enable Government to conduct further research on ticks, resistance to acaricides and tick-borne diseases in collaboration with Makerere University's Center for Ticks and Tick-borne Diseases (RTC) and the National Livestock Resources Research Institute.

Furthermore, following the spread of foot and mouth disease (FMD), Government approved a Supplementary Budget of USHS 14.6 billion for the procurement of a vaccine to curb the spread of the disease. This led to enforcement of permanent livestock quarantines within the cattle corridor.

MAAIF also launched a countrywide drive, especially at the border points, to eliminate substandard/adulterated agricultural inputs.

During FY2019/20, the sector:

i. Faced prevalent pests, vectors and diseases, notably; Fall army worm, tick resistance, FMD which constrained the sourcing and timeliness of delivery of stocking materials. However, considerable progress was made in detecting these pests, vectors and diseases, outbreak communication standard operating procedures (SOPs) were reviewed, updated and; continuous forecasting of crop pest and diseases was undertaken; capacity of the MAAIF laboratory technicians was strengthened for diagnosis of pests and diseases; a robust post-entry quarantine regime to handle dangerous pests, diseases and weeds was established at various border posts; tsetse flies and tick-borne diseases were controlled using acaricides/ insecticides, pyramidal tsetse traps and live bait.

ii. In addition, the outbreak of desert locusts in Karamoja, Teso, Lango, Acholi and Eastern Uganda, stretched the sector in terms of technical personnel and other resources. However, the Ministry put in place mitigation measures to avert the impact of the locust invasion. These included spraying and intensifying research in the diseases. Cabinet approved USHS15 billion and USHS7 billion at different occasions for activities aimed at fighting desert locusts. Out of the USHS15 billion, USHS11 billion was paid as subscription fee to the Desert Locust Control Organisation for East Africa (DLCO-EA) and rest used to procure pesticides and required materials. The FAO also provided US$18million to fund the fight against the invasion of desert locusts in the EAC region, bringing the total basket of donations to US$40 million;

In FY 2020/21, Government will:

a) Conduct early detection, control and timely reporting of crop and livestock pests, vectors, weeds and diseases outbreaks;
b) Establish and maintain functional crop and livestock pests and disease control infrastructure;
c) Strengthen the crop and livestock pests and disease control regulatory fraemwork.

Modern Use of Inputs

Only 15 percent of the Uganda's crop area was planted with improved seed at the start of the NDP II period. According to the ASSP 2015, the sector aimed to increase the crop area planted with improved seed to 35 percent by FY2019/20. This increment was estimated to increase crop production by at least 4 percent. To achieve this, the sector focused on development of the seed industry by building capacity in all aspects of the seed value chain right from production through processing to seed marketing, distribution, strengthening accreditation and licensing of seed certification by private seed companies.

The key strategies identified to improve access to quality seeds and planting materials included a) Strengthening and rationalising the Department of Regulation and Certification for Seed Services; b) Enhancing the capacity of the private seed industry; c) Strengthening the policies, laws and regulations for agricultural inputs including seeds and planting materials supply and use; d) Up-scaling the use of improved and climate change resilient seeds and planting materials; e) Strengthening the national certification and regulation system to guarantee the quality of seeds and other agro-inputs; f) Increasing availability and access to quality seeds/ planting materials for priority commodities.

Government, in partnership with Alliance for Green Revolution (AGRA), launched the Accelerated Varietal Improvement and Seed Delivery of Legumes and Cereals in Africa (AVISA) project. Funded by the Bill and Melinda Foundation, the project intends to modernize breeding and increase incomes of smallholders in 7 African countries, including

Uganda. Currently, the project is designing a digital platform for the seed value chain and the registration of all seed breeders and dealers.

Government also received a US$ 27.64 million grant from Global Agricultural and Food Security Programme (GAFSP) to implement a 5-year nutrition enhancement project. Through the project, over 108,000 farmers accessed micronutrient-rich seeds. Furthermore, agricultural demonstration sites were established in 15 districts. The project aims at increasing production and consumption of micronutrient-rich foods and involving smallholder farmers in the fight against malnutrition.

MAAIF developed the 'input traceability system' to trace suppliers of substandard inputs in order to curb corruption in the supply chain. The culprits will be blacklisted and their contracts terminated.

In FY 2019/20, Government :

a) Provided quick maturing varieties, notably maize and beans, cassava, banana and Irish potatoes through the NAADS/OWC programme for food security. Government purchased 4,873 tons of maize seeds which established 487,380 acres of land in 120 districts; 1,396 tons of bean seeds which established 58,178 acres of land in 125 districts; 68 tons of cowpea seed which established 3,400 acres of land in 11 districts; 151 tons of sorghum seed which established 37825 acres in 12 districts; 27 tons of ground nuts which established 2,234 acres of land in Karamoja, Napak and Nabilatuk districts; 216,004 bags of cassava cuttings which established 30,856 acres of land in 55 districts; 844,715 banana suckers (tissue cultured); and, 11,237 bags of irish potato which established 1,872 acres of land in 34 districts;
b) Procured and distributed 29 million tea seedlings to farmers in 11 districts; 2.8 million citrus seedlings which established 14,508 acres in 55 districts; 2.8 million mango seedlings which established 34,864 acres in 109 districts; 224,260 grafted apples seedlings which established 679 acres in 7 districts; 4.6 million pineapple suckers which established 459 acres of land in 27 districts; 3.9 million cocoa seedlings which established 8,691 acres in 16 districts; 861,908 passion fruit seedlings for 30 districts; 545 bags of ginger seed which established 55 acres in 4 districts; and, 12,401 acres of onion seed which established 12,401 acres in 6 districts. This was intended for income purposes; and
c) Procured and distributed 4,088 dairy cattle heifers; 318 beef cattle bulls; 286,000 day old layer chicks; 585 tons of chick and duck mash; 730 tons of poultry growers mash; 22,000 kuroiler birds; 3,135 improved Boer/ Savanah cross goats; 9,770 pigs gilts/ boars (pigs); and, 134,000 tilapia fingerlings and 384 tons of fish feed to beneficiaries.

In FY2020/21, Government will:

a) Start-up regional mechanization centres in Mbale and Kiryandongo;
b) Procure 1,000,000 hand hoes for distribution to farmers countrywide;
c) Establish and roll out a comprehensive legal framework that will enable proper regulation of extension services by the private sector;
d) Promote ICT platforms to deliver extension services and inputs at farm level. It will also ensure they are accessible to women, youths, elderly, people with disability and other special interest groups. .
e) Build the capacity of both public and private extension service providers and establish a sustainable framework for timely technology uptake/adoption of new

research technologies, with emphasis on uptake by the women, youths, people with disability and other special interest groups.

Research and Development

The ASSP prioritises agricultural research, technology dissemination and adoption to accelerate production and productivity at national and household level. The key strategies are to strengthen the National Agricultural Research System through identification and building of human resource capacity; development and implementation of a policy and regulatory framework for biotechnology; development of technologies and protocols for value addition; and continued investment in technology improvement through research for improved seeds, breeds and stocking materials.

In FY2019/20:

a) Makerere University College of Agricultural and Environmental Science set up a semen laboratory at Kabanyoro in Wakiso district, to ease distribution of semen to farmers. The laboratory was established under the diverse pig project supported by the National Agricultural Research Organization to increase pig production.
b) Kawanda Research Station conducted research on the dodder weed (cuscuta japonica) that had invaded Elgon sub-region. The objective of the research was to find an appropriate herbicide. This research is expected to be concluded in July 2020.
c) The National Agriculture Research Organization (NARO) released 5 bio-fortified verities of beans which are rich in zinc and iron. This is a great stride towards the fight against malnutrition in children and mothers. NARO also released 5 early maturing and drought tolerant rice varieties, 3 high-yielding wilt disease resistant coffee varieties, 3 pro-vitamin A banana hybrids which are resistant to black sigatoka disease, screened 7 bean lines for adaptation to water stressed environments and 2 maize hybrids for highland agro-ecological zones.
d) NARO intensified research on key livestock vectors and diseases. Specifically, the Organisation is in advanced stages of developing three anti-tick vaccines which will effectively control blue ear ticks (Boophilus decoloratus) and 2 bio-acaricide formulations to manage the emerging challenge of tick resistance to available acaricides. NARO also developed 3 botanical drug de-wormers for control of internal (Nematode, Cestode and Trematode worms) and external parasites in ruminants.
e) NALIRRI and partners received funding from the EU for joint beef productivity improvement the 'Improving competitiveness and productivity of the beef sub-sector through fostering gender responsive, inclusive and Sustainable rangeland, Agro-forestry and water resources management (RAWM-Beef)' program. The RAWM-Beef project aims to ensure and further beef productivity improvements in Uganda's Disease Control Zones 1 & 2 and foster food security, entrepreneurship and employment in nine (9) Districts in Disease Control Zones DCZ 1 (Masindi, Kiboga, Nakasongola, Nakaseke and Kyankwanzi) and DCZ 2 (Isingiro, Mbarara, Sembabule and Kiruhura);

In FY2020/21, Government plans to:

a) Establish a National Soil Institute at Busitema University to help in soil testing and conservation. It will serve as a one-stop centre for soil management technologies, soil information and innovations. FAO will provide voluntary guidelines i.e.

technical and policy recommendations for sustainable management of soil; and
b) Scale up climate change projects aimed at promoting conservation farming.

Farmer Organisations

Government rolled out a countrywide farmer registration exercise and set up 34 centres for farmers to get registered to benefit from Government incentives. The 34 regional centres are one stop points where farmers can access services from Ministry of Local Government, URA, MAAIF and URSB. The regional centres also advise farmers on improved crop-production and food and nutrition security, employment and widening the export base.

The annual registration of farmers is expected to: a) Enhance tractability of exported produce from producers to consumers, as tractability is key to buyer confidence; b) enhance distribution of farm inputs, irrigation, which will subsequently increase production and productivity; c) facilitate Government extension service delivery, collective marketing and access to credit; d) improve the management of coffee pests and diseases, leading to increased coffee yields; e) address critical gaps in production, post harvest handling, processing and marketing; promote and support certification schemes such as fair trade, which are key for firm and national competitiveness.

In FY2019/20, MAAIF launched the regional Farm Service Centre in August 2019, to address farmers' challenges in Masindi. Through the Centre, farmers will access information on market linkages, financial services, irrigation services, ICT, etc.

In FY2020/21, Government will introduce a farmer-centered model to improve agricultural productivity, with the view of phasing out the Operation Wealth Creation (OWC) programme. In this model, a nucleus farmer will identify the seed, provide credit facilities, buy produce, and provide the requisite extension services and training of farmers. This approach has registered dividends in Kalangala and Bulambuli districts under the palm oil and rice projects.

Commodity Development

Government committed to support development of the 12 prioritised agricultural commodities in the NDP II by increasing access to farm inputs, among other planned interventions. These included:

a) Improving access to high quality animal breeds, seeds and planting materials;
b) Enhancement of access to and use of fertilisers;
c) Increasing access to water for agricultural production (Irrigation, water for livestock, aquaculture-fish ponds/caging); and
d) Increasing agricultural mechanization.

There were specific interventions planned for each crop, as discussed in the following subsection:

Coffee

Coffee is one of Uganda's leading foreign exchange earners, along with gold and tourism. Uganda is Africa's largest coffee producer, followed by Ethiopia. However, only 2 percent of the coffee produced in Uganda is consumed domestically. The rest of it is exported to the EU, Sudan and India.

In calendar year 2019, the Uganda Coffee Development Agency (UCDA) reported that coffee exports totaled 4,526,143 bags worth US$ 439 million compared to 4,304,455 bags worth US$ 462 million the previous year. The decline in earnings were on account of lower demand from buyers who had adequate stocks, resulting in depressed global prices. Lower exports were also a result of higher than normal rains which delayed drying and transportation of coffee to primary processing and grading plants.

In FY2019/20:

a) UCDA signed an agreement with Yunnan Coffee Exchange, to promote Ugandan coffee in China. The cooperation will enhance the initiative of creating structured demand and country-to-country deals with China and other emerging markets. It will further enhance Uganda coffee's reception internationally and position Uganda as a reliable and responsible supplier of premium commercial and specialty coffees. The Yunnan Coffee Exchange also agreed to assist UCDA to set up a Coffee Exchange as part of the Uganda Commodity Exchange, so that farmers with high premium coffees can fetch higher prices;
b) PPDA granted accreditation for procurement and distribution of coffee seeds/seedlings for a period of two years allowing UCDA to use an alternative procurement system in accordance with Section 40A (1) of the PPDA Act, 2003 in November 2017. As a result of the accreditation, a total of 510,626,138 coffee seedlings worth USHS171.57 billion in the period March 2018 – May 2019 were procured and distributed in the western, Eastern and Central regions;
c) UCDA continued to support farmer organisations with agro-inputs including fertilisers, nursery bed materials and pesticides;
d) Coffee exports for the first three quarters of FY2019/20 amounted to 3.88million 60kg bags worth US$378.01million compared to 3.18 million 60kg bags worth US$320.89million the previous year.

In the medium term (NDP III period), farmers in Rwenzori sub-region will start planting coffee along mountain slopes, following H. E. the President's directive. This will not only curb soil erosion, but also help them earn a decent living wage. This directive will be implemented through the AGRI-LED programme. Coffee has also been prioritized in Uganda's development agenda, with a comprehensive roadmap to accelerate production to 20 million bags by 2025. Such a plan would see Uganda earn an estimated US$ 2 billon.

Tea

Uganda is Africa's third largest tea producer. The crop is also among the top five agricultural export commodities. Uganda's tea exports have been increasing consistently in the past few years. In 2019, tea exports generated over US$91million in revenue. This represents a 2.5 percent rise from US$88.8 million revenue in 2018. This is largely on account of good production, increased acreage and favourable weather for tea. Six new factories have been set up since 2016 raising the number to 33. However, in spite of this, tea exports at the 2019 Mombasa auction declined due to lower prices and increased production across major producing countries.

Through the Uganda Tea Association, Government commenced the registration of all tea farms and farmers to regulate their operations. This registration is being carried out under the Agro-Industrialization for Local Economic Development (AGRI-LED) project. Under the project, Government is expected to carry out geo-mapping of tea gardens to create a national databank including recording coordinates and acreage of each tea farm, and assign farmers digital codes. The codes are used to track each batch of tea in order to determine the quality of tea from each farm. In addition, the project is expected to: a) streamline tea production and marketing; b) enhance the quality of tea produced; c) empower local authorities to reduce poverty and enable sustainable wealth creation at a local level by facilitating business-oriented development.

In FY2019/20, Government:

a) Finalized plans to buy shares worth USHS23 billion in Mabale Tea factory in Kyenjojo district. Mabale Grower's tea factory started in 1969, as a Government-owned business, but collapsed during the Idi Amin regime. It was later privatized to shareholders that took its complete ownership in 2003. However, the company has been struggling financially, after taking up a loan of USHS17 billion from Kenya Commercial Bank. Government will now inject up to USHS 23 billion shillings to clear the outstanding loan and finance its operations. UDC will hold a stake in the factory on behalf of Government; and
b) Also partnered with farmer groups to expand tea processing facilities and absorb the excess leaf production.

In FY2020/21:

a) The sector targets to produce 112,000 metric tonnes of tea by 2020 with exports valued at $155 million.
b) At least 15 tea factories shall be set up in Kyenjojo (2), Kanungu (1), Bushenyi (1), Rukiga (1), Kisoro (1), Buhweju (4), Ntungamo (1), Kamwenge (1), Mbarara (1) and Luwero (1).

Cotton

Cotton is a commodity with great potential for import replacement, employment creation and export promotion – in that order of significance. The production in 2018 was 38,008 Metric Tons, while Government's target is. 64,750 Metric Tons by 2020. While the potential cotton products and by-products; and potential applications/uses are many, Uganda has not leveraged on such opportunities.

In FY2019/20, Government completed the development of a Cotton, Textiles and Apparels Strategy. It is envisaged that 50,000 new jobs shall be generated and US$650 million in additional export revenues shall be accrued over the next 8 years. This Strategy is also expected to inform the NDP III and to prioritise scaling up domestic value addition and create employment.

Following H. E. the President's directive to start large scale growing of cotton as a strategy to revamp the textile industry, the Uganda Prison Service through Orom-Tikao Main Prison embarked on the planting process. In FY2018/19, Orom-Tikao had planted 4,600 acres and by the end of FY2019/20, a total of 5,000 acres will have been planted to achieve the 44,000 target by 2025.

Dairy Development and Livestock Production

Uganda's annual milk production has grown over the past ten years from 1.24 billion litres in 2010, to about 2.2 billion litres in 2016 and 2.8 billion litres in 2019[236]. There are an estimated 15 million cattle in Uganda. About 2 million of these are improved milk cows[237]. Uganda's annual per capita consumption of milk is about 62 litres, way below the World Health Organization's recommended standard of 200 litres per capita. Furthermore, Uganda is a net exporter of dairy products.

In FY2019/20:

a) The PSFU partnered with Robran Holdings Ltd, Livestock Development Forum, The Green Elephant – VOF, Makerere University's College of Agriculture and Environmental Sciences, Uganda Women Entrepreneurs Association, Uganda Beef Producers Association and the European Union, to launch the Promote Supplementary Feeding project. This project is under the 'Developing a Market-Oriented and Environmentally Sustainable Beef Meet Industry in Uganda Programme. The project will support beef nucleus farmers to setup a supplementary feeding demonstration site. It will support 10 nucleus farmers in 10 districts through training, provision of inputs and equipment to establish demonstration sites and handholding. It is also expected to increase access to quality supplementary feeding among beef value-chain actors; and

b) Cabinet resolved to form a separate veterinary drug regulatory authority under the MAAIF on 7th October 2020. This reform is aimed at: i) establishing an effective, effective and sustainable mechanism for an orderly management (diagnosis, surveillance and control) of animal disease and tick resistance to acaricides; ii) strengthening Policy and Legislative Framework to control animal diseases; iii) establishing/upgrading existing infrastructure (holding grounds, laboratories, quarantine stations, stock route, checkpoints, border points) to strengthen animal movement and disease control in the country; iv) strengthening research and development for animal disease, parasites and vectors; and v) strengthening extension services for improving animal health, animal production and productivity in the country.

c) Government earmarked USHS182 billion to actualize transfer of mandate of the regulation of veterinary drugs from National Drugs Authority (NDA) to the MAAIF. Development of policies and laws to regulate the drugs is already underway.

In FY2020/21:

a) Government plans to set up a new abattoir in Masaka Municipality, after securing more than USHS1 billion from World Bank under the Uganda Support to Municipal Infrastructure Development (USMID) programme. The project expected to start in July 2020, will avail deep freezers and refrigerators; and

b) Government plans to set up five milk processing factories with a total milk processing capacity of 855,000 litres per year. This will address the challenge of adding value to over 90 percent[238] of milk that is sold raw in Uganda. It will also improve the processing capacity to over 2 million litres.

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[236] Dairy Development Authority records
[237] MAAIF data
[238] Dairy Development Authority

Grain, Cereals and Legumes

Government is cognisant of the export potential of Uganda's grains, cereals and legumes in both the regional and international markets. Most of Ugandan cereals failed to meet the agreed EAC grain quality standards, making it difficult to exploit the regional market yet neighbouring countries such as Kenya are net grain importers. To address this challenge, Government focused on: a) promotion of awareness creation about quality, standards and SPS requirements to all stakeholders along the value chains; b) increasing compliance to food safety requirements in both the local and export markets; and c) acquisition of specialized equipment for postharvest and mechanized value addition of strategic cereals, legumes, roots and tuber crops.

In June last year, Kenya petition the EAC regarding deficiencies in the staple foods standards approved by the East African Standards Council in Arusha. The requirements for the moisture content for the cereals, grains and pulses that was initially set at 13.0 percent for maize was too high to be met by farmers. The EAC has now agreed on moisture content of 13.5 percent. Uganda's standards of moisture content stands at 15 percent, far below the required standards.

The MAAIF, with support from FAO, World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD), prepared the National Strategy for Post-harvest Loss Reduction in grains. The Strategy aims to reduce post-harvest losses in grains, which are critical for food security and generation of household income. It will also focus on developing the grains value chain for products including cereals such as maize, sorghum, millet, rice and wheat; pulses such as beans, peas and groundnuts, and oil crops such as sesame and sunflower[239].

In FY2019/20:

a) Government launched a food processing and incubation centre at the NARO Laboratories under the Food Bio-science and Agribusiness Programme. The centre will process maize, soya bean and rice into food products such as precooked, ready-to-eat and fortified products to help fight malnutrition. The facility will also offer research and development services;
b) The Competitive African Rice Initiative in East Africa (CARI-EA) project that will be implemented in Uganda, Kenya and Tanzania was launched in February 2020. This is a 3-year US$3.3 million project funded by USAID and implemented by Kilimo Trust, supported by Alliance for a Green Revolution in Africa. If successfully implemented, it will see at least 220,000 smallholder farming households integrated into the input and output markets, and over 500,000 metric tonnes of domestically produced rice traded annually through structured regional markets;
c) Two UK-based companies i.e. Alvan Blanch Development and Colas UK, partnered with Government through Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) to provide multiple post-harvesting systems countrywide. As part of the US$155 million investment, the partners will manufacture, supply and install systems to boost crop production and post-harvest handling.
d) and
e) Nile Breweries Limited (NBL) purchased sorghum worth USHS4 billion from more than 9,000 farmers in Teso ub-region. This followed a predicament where farmers

[239] Food and Agriculture Organisation

were stranded with last year's harvest. NBL committed to support local farmers through creating ready market for their produce.

In FY2020/21, Government plans to introduce the Chinese hybrid rice variety that yields 10 tonnes per hectare, three times higher than the existing improved varieties, which produce an estimated 3.5 and 2.5 tonnes per hectare[240].

Fish

Fisheries currently constitute one of Uganda's largest foreign exchange earner contributing 2.6 percent of GDP[241], 12 percent to agricultural GDP and employ more than 1.3 million people. The fish exports over the first quarters of FY19/20 amounted to $119.43million compared to $144.96 million over the same period in the previous year. The decline in exports is attributed to restricted fishing activity due to the Covid-19 pandemic.
The fish stocks have been restored, after dwindling in the last few years. The Lake Victoria Fisheries Organization (LVFO) updated the status of fish stocks on the lake. The update indicates a 21 percent increase in total biomass to 2.68 million metric tonnes between 2018 and 2019. The Nile Perch population increased by 48 percent, from 0.55 million to 0.82 million metric tonnes over the same period[242].

In FY2019/20:

a) The MAAIF and UNBS, with support from Commonwealth Standards Network (CSN) developed 'The Code of Good Practice (CoP) for Safety and Quality Assurance for Fish Maws', providing general guidelines on the recommended best practices for safety and quality assurance with special focus on fish maws;
b) The MAAIF halted a move by a Chinese firm to introduce, breed and grow exotic species of fish in the country. This was earmarked as a high scale cage fish farming project in the Katonga area, mainly for export. It was considered that eliminating the native species through competition, hybridization as well as altering domestic gene pools was one of the project's motives. They were also reported to cause or initiate ecological imbalance;
c) Cabinet constituted a sub-committee chaired by the Minister of Agriculture to investigate the alleged mistreatment of fishermen by the Uganda People's Defence Forces (UPDF) Fisheries Protection Unit (FPU). This was as a result of H. E. the President's directive to deploy UPDF on Uganda's lakes to combat illegal fishing practices;
d) The UPDF's FPU has arrested over 20,000 fishermen over the last three years since its start of operation in eastern part of Lake Victoria. Illegal fishing gear was confiscated and burnt[243]; and
e) Government reduced the number of fishermen at Rwenshama fishing site in Rukungiri district from 320 to 60 in a bid to reduce overfishing, after issuing licenses to members of Rwenshama Fishing Company which has existed since the 1950s.

In FY2020/21:

a) The East African Legislative Assembly (EALA) passed the Lake Victoria Basin Commission Bill (2019), with the aim of enacting the Lake Victoria Basin

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[240] Ministry of Agriculture, Animal Indsutry and Fisheries
[241] Bank of Uganda Statistics, 2019
[242] EAC website
[243] Ministry of Agriculture, Animal Indsutry and Fisheries

Commission Act. The object of the Bill is to provide for the Lake Victoria Basin Commission as an institution of the Community. This is premised on Article 114 of the Treaty for the Establishment of the EAC, under which the Partner States agreed to cooperate in the management of water and marine resources; and

b) The FPU plans to limit the number of fishermen operating on all landing sites across Lake Kyoga, once the ban on fishing is lifted. Each landing site will have less than 10 fishermen registered.
c) MAAIF will implement alternative approaches, including preservation of breeding areas and enforcement of fishing standards to ensure capture fish production increases from 461,726 metric tons in 2014 to 550,000 metric tons in 2020.

Sugar

Government of Uganda lifted the ban the export of raw sugarcane to Kenya for only three months in September 2019. The move aimed at allowing Ugandan farmers sell the cane that was not consumed domestically.

Uganda's sugar industry comprises of 11 functional sugar mills, producing 510,000 metric tons and consumption is 360,000 metric tons per annum. The surplus of 150,000 metric tons is exported. To reduce on the surplus sugar, Uganda resumed the prvious practice of exporting sugar to Tanzania at the prevailing local market rates.

The National Sugar Bill was enacted into law, following its assent by H. E. the President on 24th April 2020. The Bill aims to ensure sustainable, diversified, harmonised, modern and competitive sugar industry in the country to meet domestic, regional and international sugar demands. The Bill also provides for the development, regulation and promotion of the sugar indutry; the establishment of the Uganda Sugar Board; and other realted matters.

H. E. the President also endorsed the proposal for Government to refund nearly USHS2 billion remitted as withholding tax from sugar cane farmers. About 6,000 farmers from Kakira are expected to benefit from this refund.

In FY 2020/21, the Government willfasttrack the implementation of the National Sugar Act 2020 to ensure a sustainable, diversified, harmonised, modern and competitive sugar industry.

Forestry

Between 2016 and 2019 the forestry sub-sector contributed 3.5 percent of GDP pa. It is estimated that Uganda's forests are the source of about 88 percent of all her energy needs, 61 percent of Uganda's tourism income and jobs for about 1 million people. Private commercial plantations have mushroomed, together with tree planting campaigns that have seen about 3,500 ha of degraded natural forests restored. Up to 60,000 ha were allocated to private developers for commercial tree plantations. So far, 5,400 ha of new plantations have been established. In addition, a total of 950 km of external forest boundaries were resurveyed and marked[244].

During FY 2019/20:

a) The National Forestry Authority (NFA) partnered with UNHCR to implement the Environment, Energy and Forestry Conservation and Restoration Initiative under

[244] NDP III Report

the Refugee Forest Project (ReForest). This will avail 8,400,000 tree seedlings to be planted in refugee resettlement areas, restore Central Forest Reserves (CFRs) and provide technical capacity to NFA. The target Central Forest Reserves to be restored are Kikuube, Hoima, Gulu, Adjumani, Arua, Kamwenge, Isingiro, Kyegegwa, Kiryandogo, Obongi, Moyo, Yumbe, Kisoro, Lamwo, Maracha and Koboko.

b) Forest monitoring/GIS support software (Arc) was procured for NFA under the ReForest project. The total number of seedlings supplied were 1,362,563 of assorted species (indigenous, bamboo and exotic) to be restored in the following areas:
    i. Era CFR (80 hectares were restored with indigenous tree species, 51 hectares of bamboo planted, 18 hectares of Tectona grandis planted);
    ii. Eria CFR (73 ha of Tectona grandis planted); and
    iii. In Bugoma CFR (108 ha were restored with indigenous tree species).

In the NDP III period, Government plans to increase the forest covered from 9.1 percent in 2017 to 15 percent in 2025. This will be achieved by:

a) Strengthening conservation, restoration of forests, wetlands and water catchment areas and hilly, mountainous areas;
b) Increasing funding for promoting non-consumptive uses of the natural resources; and
c) Assuring a significant survival rate of planted tree seedlings.

Agriculture Finance and Insurance

One of the bigeest constraints farmers face in a bid to operate sustainable commercial operations is the limited access to credit facilities, and insurance services for their produce. MAAIF is working closely with the Ministry of Finance, Planning and Economic Development (MoFPED) to complete the Agriculture Finance and Insurance Policy.

In FY2019/20:

a) MoFPED operationalized the Agricultural Insurance Scheme Government through Bank of Uganda and partner bank continued the implemenation of the Agricultural Credit Facility.Uganda Development Bank continued the provision of mid to long-term agriculatural credit at affordable rates. MAAIF supported farmers through their farmer groups and associations (30 percent women and 40 percent youth) to form Savings and Credit Cooperatives, where they will be able to save and access affordable credit to support their agriculture activities.
b) MAAIF scaled up the best practices from sector interventions where famers accessed credit from financial institutions to other areas and other commodities.

In FY2020/21, the Government will:-

a) Continue to implement the Agricultural Credit Facility;
b) Recapitalise UDB to support agro-proceesing and value addition in the agricultural sector;
c) Continue the implementation of the Agriculture Insurance Facility and support the implementation of bancassurance; and
d) Continue to support Agricultural cooperatives, SACCOs and Village Saving Groups through the Microfinance Support Centre.

LANDS, HOUSING AND URBAN DEVELOPMENT

The Lands and Housing sub-sector is responsible for ensuring rational, sustainable use and effective management of land. It is also responsible for the provision of safe, planned and adequate housing. The Physical Planning and Urban Development sub-sector on other hand is responsible for the orderly development of urban and rural areas for socio-economic development.During the NDP II period, the sector priorities included:

a) Access to decent, adequate, safe and affordable housing and basic facilities for all. The target was to increase housing units to 7.8 million 2019/20 from 6.2 million units in 2012/13;
b) Computerization of the Land Registration system to ensure efficient and effective land management and addition of land use planning and land valuation;
c) Improvement in processing of land transactions;
d) Faster acquisition of land for planned urbanization, infrastructure development, and agricultural commercialization;
e) Comprehensive land valuation;
f) Promote comprehensive physical planning for urban development;
g) Improve urban infrastructure services and utilities; and
h) Create conducive environment for urban development.

To streamline land administration and management, the sector a) enacted that the Landlord and Tenant Act, b) undertook dissemination and sensitization of the public on National Land Policy, and c) held multi stakeholder engagements for dispute resolution and access to land justice. The sector also facilitated the formation of Communal Land Associations (CLAs) serving a total of approximately 3,602,321 people in the districts of Kaabong, Kotido, Moroto, Napak, Amudat, Kakumiro, Buliisa, Agago, Nwoya, Mubende and Kayunga.

Under Physical Planning, Housing and Urban Development, the sector strengthened the policy and legal framework for enforcement of standards through the implementation of National Housing Policy, National Urban Policy, Condominium Law and Regulations, Physical Planning (Amendment) Act 2020, Resettlement & Rehabilitation Policy, 2019 and the National Physical Development Plan (2020-2040).

In the NDP III period, Government will:

a) Fast-track the process of enacting the Land Acquisition Bill and the Valuation Bill, 2019 to eliminate delays in valuation and acquisition of land for various development project, equipping and staffing of the Ministerial Zonal Land Offices (MZOs);
b) Gradually operationalise the Land Fund to eliminate all outstanding cases of historical land injustices;
c) Roll out Certificates of Community Ownership (CCO) and strengthen the District Land Tribunals to address the challenge of widespread land conflicts;
d) Prioritise the operationalization of the Physical Planners Registration Act, 2019; and
e) Continue efforts on capacity building for Local Governments to enforce physical planning standards and guidelines, improvement of urban infrastructure, supporting the private sector and housing cooperatives to deliver affordable decent housing.

Land Tenure Security

The sector implemented several interventions during the NDP II period to improve the land security and rights. These include:

a) Strengthening the land rights for the poor and vulnerable groups;
b) Increasing provision of public information on land rights;
c) Strengthening access to land for women and youth;
d) Implementation of the Land Information System (LIS) and the national program of Systematic Adjudication, Demarcation, Survey, Certification and titling or land registration;
e) Streamlining and integration of Traditional Land Administration with formal systems; and
f) Formulation and dissemination of the National Land Policy and Land Use Policy.

In FY 2019/20:

a) The Judiciary cleared about 220 delayed land cases countrywide;
b) The Ministry of Lands, Housing & Urban Development (MoLHUD) mobilized, incorporated and registered over 313 Communal Land Associations in Karamoja;
c) H. E. the President officially launched the Kabale Ministerial Zonal Office (MZO) on 31st August 2019. Certificates of Title were also handed over to a number of individuals[245];
d) Government modernized the Geodetic Reference Framework including 12 Continuously Operating Reference Stations (CORS) through the Competitiveness and Enterprise Development Project (CEDP). The 12 CORS include Arua (MZO), Entebbe (SMD), Kabarole (MZO), Gulu (MZO), Kibaale (MZO), Jinja (MZO), Lira (MZO), Masindi (MZO) Masaka (NWSC pump station), Mbale (MZO), Moroto (Regional referral Hospital), Soroti (Civil Aviation);
e) The MoLHUD drafted Guidelines on land evictions, following an order from the High Court to that effect. The Guidelines await Cabinet approval due to the pending amendment of the Land Act; and
f) The MoLHUD completed successful implementation of the National Land Information System (NLIS) to improve land governance and strengthen land tenure security in the country.

In FY2020/21, Government will:

a) Create and maintain a database on housing;
b) Continue to implement the reforms under the CEDP project;
c) Review the charges payable for leasing Government land; and
d) Continue with the computerization of Government Land Records.

Sustainable Land Use

To ensure efficient and sustainable use of land resources, Government prioritized the promotion of comprehensive physical planning for development, infrastructure services and utilities. The National Spatial Data Infrastructure was also established, to integrate data for planning and development, etc. The major intervention was the emphasis on implementation of Regional Physical Development Plans, District Physical Development Plans, and Sub-Urban Physical Development Plans to guide the establishment and development of Urban Corridors, regional cities, etc.

[245] National Land Information System website

In FY2019/20:

a) Government embarked on the preparation of the National Physical Development Plan (NPDP), which is one of the Land Administration components under the Competitiveness and Enterprise Development Project (CEDP). The final draft was displayed for public comments.

   The NPDP shall set out the analytical parameters for the allocation, use and management of the land and other physical resources, as well as the most efficient location of infrastructure, towns and cities, and how they link to the surrounding rural areas; and

b) 8 Ministry Zonal Offices were operationalize using the new system, to facilitate systematic registration of communal and individually owned land. These include Kabale, Tororo, Sororti, Kampala, Mukono, Moroto, Wakiso-Busiro, and Wakiso-Kyadondo.

c) The draft National Land Acquisition and Resettlement Policy, draft Land Acquisition Bill, 2019 and draft Valuation Bill, 2019 were prepared. These are intended to address issues of vulnerable groups in communities during resettlement of project-affected persons (PAPs).

In FY 2020/21, the Government will:

a) Disseminate the National Land Use Policy and the Land Acquisition Resettlement & Rehabilitation Policy;
b) Digitalise more land records and land registration operations;
c) Support development of Physical Development Plans for Districts and Urban Councils; and
d) Operationalisation of the National Physical Planning Board.

Sustainable Urbanisation

The importance of the urban centres as facilitators for social transformation, employment prospects and markets for commodities cannot be overstated.

During the NDP II period, the development objectives included:

a) Improving the policy framework for the establishment and management of cities and other urban areas;
b) Improving and strengthening a competitive urban economy; and
c) Increasing availability of and access to serviced land for urban expansion and investment.

The major interventions to achieve these objectives included:

a) Review of the policy and procedures for the establishment and management of cities and other urban centres;
b) Implementation of the National Urban Policy and a Strategic Urban Development Plan;
c) Development of appropriate planning standards and guidelines for Integrated District Development Plans, Structure and Detailed Plans;
d) Implementation of strategic urban infrastructure and investment projects through PPPs to ensure cost recovery and sustainability;
e) Development of a framework for planning and management of transboundary infrastructure; etc.

Kampala was, until 2019, Uganda's only urban agglomeration classified as a city. The reclassification of 9 (nine) Municipalities as Regional Cities is expected to promote new opportunities. To maximize the prospects of realising those opportunities, the following were implemented in FY2019/20:

a) Government embarked on producing and disseminating base maps for land administration. These base maps have been used to support other Government projects, such as the implementation of the Communal Land Associations (CLA) and Certificates of Customary Ownership (CCO) programs in Acholi, West Nile, Karamoja, South Western, Mid-Western regions and Kampala Metropolitan Area;
b) The Uganda Support to Municipal Infrastructure Development (USMID) program enhanced infrastructure quality and stock in 14 Municipalities i.e. Arua, Lira, Gulu, Soroti, Entebbe, Mbale, Tororo, Jinja, Masaka, Hoima, Fort Portal, Mbarara, Kabale and Moroto.
c) The second USMID program (USMID_AF) was rolled out in 2019 on account of the success of the first program. The key achievements under the USMID program include:
    i. 110 urban roads totalling 78.4km were constructed in 13 Municipalities;
    ii. Approximately 93.2km of covered line drains and 30.3km open drains;
    iii. 100.2km of pedestrian walkways, 21.8km of cycle lanes, 43.5km of parking lanes, 2,807 solar street lights and street bins;
    iv. Signalized traffic lights at a junction in Mbale Municipality.
    v. 65,365 square metres of green space and 2,431 trees planted;
    vi. Three taxi parks complete with 328 lockup shops and 143 vehicle/taxi parking lots and restaurants in Arua, Tororo and Entebbe Municipalities;
    vii. One bus terminal with 16 bus bays and 32 lockup shops in Moroto; and
    viii. Aa Lorry Park with 14 lockup shops in Fort Portal Municipality and Improvement of Coronation Park in Lira.

In FY2020/21:

a) Seven (7) Municipalities will attain city status effective July 1, 2020 after Parliament approved a motion to create 15 new cities on 28th April 2020. These include Arua, Gulu, Jinja, Mbarara, Fort Portal, Masaka and Mbale. Hoima will become a city on July 1, 2021 followed by Lira on July 1, 2022 and then Soroti, Entebbe, Moroto, Nakasongola, Kabale and Wakiso on July 1, 2023.
b) The implementation of USMID-AF will continue, with emphasis on enhancing Institutional Capacity in the Municipal Local Governments of Kitgum, Kamuli, Mubende, Kasese, Busia, Ntungamo, Apac and Lugazi. It will also introduce support to the districts of Adjumani, Moyo, Yumbe, Arua, Isingiro, Kiryandongo, Kamwenge and Lamwo, that have faced a high influx of refugees;
c) Dissemination of the National Urban Policy will be undertaken; and
d) Formulation of the Municipal Development Strategies will be finalised.

Greater Kampala Metropolitan Area (GKMA)

The GKMA is a framework aimed at ensuring coordinated planning and implementation of programmes across Kampala city and the neighbouring districts of Mpigi, Wakiso, and Mukono. It is intended to maximise benefits of planned urbanisation.

To accomplish the goal of a unified GKMA, the NDP II focused on:

a) Harmonisation of the institutional and legislative framework to facilitate the development of the GKMA;
b) Physical infrastructure development;

c) Improving access to and exploitation of socio-economic opportunities through innovation, progressive production and entrepreneurship;
d) Protection of natural environment to support sustainable growth and development; and
e) Tourism development.

Government gazetted the Kampala Capital City Authority (Amendment) Act, 2020. The amendment which was first introduced before Parliament in 2015, was passed in August 2019 and assented by H. E. the President in December 2019. The Act seeks to rationalize provisions relating to the Metropolitan Physical Planning Authority as well as the political leadership, among others. The amendments put in place the position of Speaker at KCCA, which means the Speaker and Division Speakers will be elected by the Authority and Division Councillors, respectively. It also creates an Executive Committee of four (4) people selected by the Lord Mayor to supervise the day to day work at the Authority and at the Divisions. The Act also separates the roles of the Council from those of the technical staffcouncilors, and entrusts powers of coordinating physical planning activities in the metropolitan areas in the office of the Ministry of Kampala.

In the last decade or so, Kampala's infrastructure network has improved, with support from Government of Uganda and development partners. The second Kampala Institutional & Infrastructure Development project was scheduled for completion by December 2019. However, KCCA secured a time extension of 18 months to complete roads and drainage channels by June 2021. The first set of roads and signalized junctions in Kampala i.e. Bwaise junction, Mambule Road, Kiira Road, Kabira junction in Bukoto, Fairway Junction, Makerere Hill Road (from Wandegeya to Nakulabye), and Bakuli through Nakulabye to Kasubi Road have been completed.

The ongoing road construction works include Kulambiro Ring Road, Najeera Link, Kabuusu-Bunamwaya-Lweza, Ntinda-Nakawa road and Lukuli road, while the contract for reviewing the design and supervision of Lubigi and Nakamiro drainage improvement works was approved. Furthermore, the consultant is finalizing the detailed design and diagnostic assessment for the rehabilitation and expansion of Nakivubo Channel.

In FY 2019/20:

Kampala City was voted the lead city by the Africa Smart Towns Network (ASToN). The French Development Agency (AFD) financed the creation of this network of African cities around the Smart City concept. The ASToN project was launched in October 2019 and its activities are expected to go on for 3 years. It aims to build capacities within the cities' local administration, by enabling them to learn from each other and exchange expertise;

a) Under the Citywide Inclusive Sanitation (CWIS) programme, KCCA:
   i. Reduced stance ratio from 118:1 to 58:1;
   ii. Built 5 bio toilets in 5 schools;
   iii. Developed an ICT-based system for service monitoring;
   iv. Established Minimum Standards for Onsite Sanitation;
   v. Formed Mayors' Alliance for Water, Sanitation & Hygiene (WASH) and Environment to prioritise WASH in Municipalities;
   vi. Increased the number of formal and licensed private emptiers; and
   vii. Subsidized construction of facilities by Partners, etc.

b) KCCA continued with the implementation of Kampala Waste Management PPP, which is meant to help in streamlining collection and transportation of municipal solid waste;
c) KCCA constructed Kasubi Market. The market cost about USHS2.3 billion, and will host over 1,500 vendors who have operated on the roadside for decades;
d) KCCA, in collaboration with UNRA, commenced the construction works on Kampala fly-over project. The project will cost over USHS224 billion, and is expected to be completed in December 2021. Its objective is to reduce congestion and traffic in the city centre and decrease the cost of doing business;
e) KCCA received a grant from the United Nations Environment Programme (UNEP), the United Nations Human Settlements Programme (UN-Habitat), Iganga Foundation and Gouddapel Coffeng of Netherlands to design a Pilot Non-Motorised Transport (NMT) Corridor in Central Business District (CBD). The objective is to promote the use of non-motorised means of transport (walking & cycling) in the city, through provision of more space to pedestrians and cyclists along this corridor and thereby show case how a city that devotes more space to pedestrians and cyclists functions better and is more liveable. The pilot The NMT corridor (Namirembe Road – Luwum Street to Entebbe Road) is expected to be ready for use by pedestrians and cyclists by July 2020.

In FY2020/21, KCCA intends to:
a) Continue with the implementation of the ASToN project, to enhance the institution's management and administration capacity;
b) Decongest and streamline public transport in Kampala by:
    i. Having the Ministry of Works and Transport (MoWT) inspect and issue permits to all public transport vehicles operating in the city. The Ministry will also specify the types of vehicles to operate particular routes annually;
    ii. Vetting drivers by the stage leadership they are attached to;
    iii. Approving taxi stages and gazetting them as such;
    iv. Register motorcycles (Boda bodas) with accountable digital companies such as Safe Boda, Uber, Bolt, Taxify, etc.;
    v. Approve 'Boda boda' stages and gazette them as such;
    vi. Introduce the operation of a 'Boda boda-free zones' in the Central Business District, and support the establishment and training of more accountable associations in the industry;
c) Continue ongoing road and drainage works under the second KIIDP;
d) Complete the construction of Busega Market and operationalize it. The market is expected to improve production and marketing of agricultural commodities; improve incomes for the vendors; increase customer satisfaction; and provide permanent workspaces;
e) Continue with the construction works on Kampala flyover project; andRoll out the Non- Motorised Transport (NMT) project to other parts of the city.

Decent Shelter

During NDP II period, the sector prioritized access to decent, adequate, safe and affordable housing and basic facilities for all through:
a) Reduction in slums and informal settlements;
b) Increasing access to affordable housing finance; and

c) Increasing access to housing for all income groups, for rental and owner occupation.

The key interventions in this respect included:

a) Implementation of the National Slum Upgrading Strategy Action Plan;
b) Establishment of livelihood support initiatives to support the plight of women, children and other vulnerable groups;
c) Ensuring availability and affordability of housing finance;
d) Increasing accessibility to housing-related inputs through land banking, housing revolving funds, etc.; and
e) Promotion of rural housing development schemes.

Despite the construction of many housing units, Uganda still faces a deficit of more than 2 million housing units. Most of the recent units constructed target high-end income earners, yet 65percent of the housing needs are for low cost housing. This deficit is expected to expand further in the next two decades, to 8 million units. 2.5 million of these will be in urban centres[246].

In 2019, the rental market continued its upward trend in proliferation of rental space. More than 70 percent of households in Kampala city live in rented dwellings, and over one fifth of all households countrywide live in rented homes[247]. According to Knight Frank, rental rates are expected to drop in 2020, as competition for the limited pool of corporate and expatriate tenants has been exacerbated by new properties. Prime office rents are expected to decline too, owing to an increase in supply.

In FY2019/20:

a) The National Housing Policies, Laws and Regulations were prepared and disseminated; and
b) Prototype plans were prepared in the districts of Kaliro, Buyende, Bugiri and Busia to provide alternative, environmentally-friendly and affordable building plans to the disadvantaged and deprived.

In FY 2020/2l, the following will be undertaken:

a) Implementation of Slum Redevelopment project in partnership with the National Housing Construction Company;
b) Dissemination and implementation of the National Land Policy, National Housing Policy, etc.;
c) Promotion of Housing Cooperatives;
d) Promotion of affordable green housing technology;
e) Implementation of new housing projects, through shared equity initiative in partnership with stakeholders; and
f) Improve rural housing and settlements.

TOURISM AND HOSPITALITY

Tourism is currently Uganda’s leading foreign exchange earner, bringing in excess of US$1.6 billion (about 24 percent of the total quantum of export earnings)[248]. The sector accounted for 7.7 percent of GDP and contributed 667,600 jobs (about 6.7 percent of the total national employment opportunities).

[246] UBOS data
[247] Centre for Affordable House Finance in Africa
[248] FY2018/19 Annual Tourism Sector Performance Report

During the NDP II period, the sector's target was to increase the contribution of tourism to GDP from 9 percent in 2012/13 to 15 percent in 2019/20. Its contribution to wealth creation and employment was expected to be achieved through supporting and developing synergies along the tourism development value chain. The sector focused on five areas, namely:

a) Aggressive marketing for tourism;
b) Product development and diversification;
c) Increasing the stock of human capital along the tourism value chains;
d) Skills development; and
e) Improving coordination, regulation and management of the sector.

The number of international visitor arrivals increased by 7.4 percent from 1,402,409 in 2017 to 1,505,669 in 2018. Tourists at national parks increased by 14 percent to 325,345 visitors in 2018. Visitors to selected tourist sites rose by 19 percent[249]. Despite the tourism sector's role as major transformative force in Uganda's economy over the NDP II period, its short to medium term prospects have been adversely affected by the onset of the COVID-19 pandemic. As a result of this pandemic, the industry has registered massive business loss characterised by the shutdown of many private businesses, numerous cancellations of tourist bookings, closure of protected areas/National Parks and tourist sites. These have resulted into the loss of jobs and livelihoods.

Furthermore, the contribution of the tourism and hospitality industry to GDP is projected to reduce by USHS 4.5 trillion in the year 2020. The other resultant effects include reduced output per capita and failure to meet loan and statutory tax obligations.

Policy and Regulation

During the NDP II period, the Ministry of Tourism Wildlife and Antiquities (MTWA) undertook to improve coordination, regulation and management of the tourism sector through:

a) Development and review of the relevant policy and regulatory standards, in a manner that encourages meaningful participation of women, youth and other players in the sector;
b) Establishment of mechanisms for enhancing inter and intra sectoral linkages; and
c) Establishment of a gender responsive information management system for the sector.

In FY2019/20:

a) H. E. the President assented to the Uganda Wildlife Bill on 1st July 2019 to provide for the conservation and sustainable management of wildlife, effectively enacting Uganda Wildlife Act, 2019 into law. The Act came into force on 27th September 2019. The Wildlife Act, 2019 provides for higher penalties for wildlife crimes such as poaching and illegal wildlife, to ensure that Uganda is no longer used as a source or transit for illegal trade in wildlife species and specimens. The Wildlife Act, 2019 also addresses human wildlife conflict issues, enhances community participation in conservation and harmonizes conservation with other sectors of the economy.
b) Government developed the Conservation Education and Awareness Strategy; and
c) The Museums and Monuments Bill was submitted to the Ministry of Tourism, Wildlife and Antiquities Executive Committee for consideration, following a technical meeting held on Kasubi Tombs.

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[249] UWEC, National Museum and Source of the Nile

In FY2020/21, Government will:

a) Fast-track the preparation of regulations to operationalize the Wildlife Act, 2019;
b) Finalise the review of the Tourism Act, and the Museums and Monuments Act;
c) Operationalize the Tourism Sector Working Group Framework; and

Tourism Promotion and Marketing

In order to increase the market share for tourism, the sector undertook to:

a) Market aggressively in source markets;
b) Promote domestic tourism through cultural and regional cluster initiatives, and national events;
c) Develop and upgrade tourism support infrastructure; and
d) Promote the utility of e-commerce tools such as web-based bookings and tracking facilities.

During the FY 2019/20, the Government continued with the implementation of the Tourism Marketing and Product Development Strategy with a focus on both domestic and international marketing as well as the development of tourism products and sites targeted for the NDP II period. These are Mt. Rwenzori, Namugongo, Kagulu Hills, Source of the Nile, Museums, UWEC as well as the National Parks. Overall, 78 percent of the Tourism Sector NDP II targets have been achieved, with about 70 percent of targeted works completed at Namugongo Martyrs' shrines. Renovations have been partially completed at the National Museum; Rwenzori Mountain trails of Bukurungu, Kilelembe and central circuit improved with boardwalks, ladders and resting shelters. The National parks have been facilitated with maintenance of trails, visitor facilities and animal translocations. Furthermore, the Master Plan for the Source of the Nile has been produced.

Markets

Uganda joined the league of preferred destinations in the global Meetings, Incentives, Conferences and Events (MICE) industry after participating in MICE Expos, hosting of international conferences and meetings. These included the Commonwealth Parliamentary Conference, etc. Her membership to key MICE associations such as the International Congress and Convention Association (ICCA), Meeting Professionals International (MPI) and Society for Incentive Travel Excellence (SITE) has also proved to be a masterstroke.
In FY2018/19, the Uganda Tourism Board (UTB) signed contracts for three new Market Destination Representation (MDRs) that will represent Uganda in three emerging markets i.e. P.H.G for China; Aviareps for Japan and Aviareps for the Gulf States. These MDRs supported the growth of a market for Uganda in these countries by creating trade linkages between the Ugandan tour operators and their counterparts in those markets, host destination promotion events, dissemination of destination product information, enhance the destination¶s social media presence in those countries as well as provide public relations support. This increased destination awareness enhanced the volume and value of tourism due to from the markets sourced.

In January 2020, UTB has advertised for new consultancy services on MDRs. These are targeting the China market; UK and Ireland; and German-speaking countries (Germany, Switzerland and Austria). However, the onset of COVID-19 has hampered progress on this front, for now.

In addition to the above, UTB led a delegation that represented Uganda at the 32nd edition of IBTM World 2019 in Fira Barcelona Gran Via. This is a leading market place for the

MICE industry. Some of the private sector attendees included Lake Kitandara Tours, Speke Resort, the Uganda Safari Company, Serena Hotels, etc.
In FY2020/21, Government plans to market the country at various events. UTB also plans to hire Market Destination Representatives (MDR) in key African markets, in a similar initiative to those undertaken with the UK and Ireland, North America, Germany, Australia and Switzerland.

Country Branding

In FY2019/20, Government:

a) Launched the 'Tulambule Christmas Promotion' in 2019, with the aim of marketing domestic destinations to Ugandans by using the opportune time of the festive season. This initiative encouraged Ugandans to travel inland and sharing their experiences online.
b) Entered into agreements with top hotels and institutions to reward Ugandans during the campaign; and
c) Supported the organization and promotion of the:
    i. Miss Tourism regional competitions;
    ii. Annual Kagulu Rock Climbing Challenge in partnership with the Busoga Tourism Cluster; and
    iii. Promoted the Tooro Kingdom Empaango celebrations with the Tooro Tourism Cluster.

Product Development

During the NDP II period, the sector undertook to increase and diversify the stock of tourism products through:

a) Developing the tourism product range including marine, faith and cultural based tourism and ensure the developments are cognizant of the potential impact of climate change;
b) Protection of tourism resources and emphasis on safety and security of tourists; and
c) Setting up a specific Fund to support women in the tourism sector to grow out of the informal status, with clear e-market linkages.

In FY2019/20, the following initiatives were undertaken:

a) The Ministry of Tourism, Wildlife and Antiquities (MoTWA) launched a Handicrafts and Souvenir Development Project. The 3-year project is funded by the Enhanced Integrated Framework (EIF). It seeks to respond to Government's need to diversify and increase the contribution of non- traditional exports, while supporting increased job creation and employment, as spelt out in the Uganda Tourism Policy, 2015;
b) Government launched the Kony War Museum in Kitgum, in partnership with the Kitgum Local Government for development of the Dark Tourism product segment;
c) Government of Uganda and the Kingdom of the Netherlands launched new tourism products to help Uganda maximize its tourism potential. New clusters will be developed in Eastern Uganda, centred on cycling, hiking, running, motorcycle holidays and hospitality. The Dutch Embassy committed to provide ¬450,000 which will be equally matched by 7 Dutch companies that have tourism links to Uganda, bringing the investment to ¬900,000;
d) The Uganda National Cultural Centre (UNCC) finalized plans to establish 4 regional training centres to promote, preserve and popularize Uganda's cultures.

The centres will be established on 5-6 acres in Tororo, Lira, Wakiso and Mbarara. They will have a shopping mall, restaurants and a theatre;

e) The Church of Uganda introduced an annual foot pilgrimage of more than 500km from Kampala to Mucwini in Kitgum district, to commemorate the martyrdom of the former Archbishop Janani Luwum, who was killed during the Idi Amin regime. The first 14-day walk started on January 29, 2020 and ended February 14, 2020; and

f) The United Nations Development Programme (UNDP) issued a grant of USHS150 million under the business enterprise innovation challenge, to improve the beauty of Biharwe 1520AD Eclipse Monument. Biharwe Eclipse is the only archeostronomical tourism site in East and Central Africa.

In FY2020/21, Government will:

a) Implement the Master Plan for the development of the Source of the Nile infrastructure including the construction/installation of 2 modern toilets and bathroom facilities (on both sides of the river); 10 resting shades and 10 garbage collection pits installed; 10 informational signage, and 3 viewing decks,

b) Develop infrastructure on Mt. Rwenzori including 200metres boardwalks, 2 standard campsites, 170 metres climbing ladders), and provide rescue, safety and climbing equipment to facilitate rescue operations on Mt. Rwenzori.

c) Conduct detailed feasibility studies conducted for the proposed M. Rwenzori Infrastructure Development Project (Phase II).

d) Conduct Prefeasibility and Feasibility studies for the proposed phase II of the Source of the Nile Developments.

e) Develop new products, as part of the tourism diversification drive, including construction of canopy walk bridges in Kibaale national parks to ease animal viewing;

f) Develop Kalagala and Itanda tourism sites under PPP arrangements;

g) Expand and develop Namugongo Martyrs' shrine into an elaborate and inter-connected tourism centre and trail, under PPP arrangements, with the view to making it an all-year round tourist destination.

h) Undertake Phase II of Mugaba Palace development completed (Prime Minister's house,canteen, sanitary facilities

i) Conduct Prefeasibility and Feasibility Studies, and have these Reports presented to the Development Committee for the proposed Water Falls and Hot springs development project

Conservation

Uganda's tourism sector is nature-based and vulnerable to the impacts of climate change. Therefore, sustainable tourism development in Uganda requires building climate change resilient tourism by strengthening ecotourism, conservation of wildlife resources and diversifying tourism products among others. During the NDP II period, the sector committed to increase conservation of natural and cultural heritage by:

a) Promoting the protection of wildlife species;

b) Controlling the spread of invasive species;

c) Promoting countrywide protection of natural and cultural heritage, taking into account resilience to climate change;

d) Developing and promoting conservation curricula in schools; and
e) Developing capacity of Local Governments to protect, conserve and restore critical tourist products.

With 18,783 species of flora and fauna recorded, Uganda ranks among the top most biodiverse countries globally. Uganda is a host to over 50 percent of the world's remaining population of Mountain gorillas, 11 percent of the world's recorded species of birds (50 percent of Africa's bird species), 8 percent of the global mammal diversity (39 percent of Africa's mammals), 19 percent of Africa's Amphibian species, 14 percent of Africa's reptile species and 1,249 recorded species of butterflies. The rich wildlife endowment is the primary competitive edge that can project Uganda into a top tourism destination in Africa.

In FY2019/2020:

a) Uganda finalized and released the Gorilla census results for the Bwindi population, which showed an increase in the number of mountain gorilla individuals and families. In the December 2018 census of Bwindi Impenetrable National Park, Uganda had a record 459 mountain gorillas counted in 50 groups; with 13 solitary individuals. When combined with her sister, Mgahinga Gorilla National Park, Uganda still retains its position as home to at least 51 percent of the world's total population of mountain gorillas, a further boost to gorilla tourism in this East African nation. The survey was conducted by the Protected Area Authorities of Uganda and DRC (Uganda Wildlife Authority and l'Institut Congolais pour la Conservation de la Nature, respectively) under the framework of the Greater Virunga Transboundary Collaboration with support from Rwanda Development Board and many other partners and donors.
b) The 71st Standing Committee of the Convention on International Trade in Endangered Species unanimously agreed to remove Uganda from the National Ivory Action Planning process (NIAP), having fulfilled and demonstrated adequate capacity to combat wildlife crime. This implies that Uganda is no longer considered as a country involved in the illegal trade in ivory;
c) Government acknowledged the contribution of communities bordering protected areas in the conservation of wildlife. Uganda Wildlife Authority (UWA) disbursed USHS 4,479,575,644 in April 2020 under the revenue-sharing scheme, to communities surrounding Bwindi Mgahinga Conservation Area, through the district leaders of Kisoro, Kanungu and Rubanda at the Bwindi Conservation Area head office in Buhoma. The funds included 20 percent park entry fees and US$10 per permit for gorilla-tracking in Bwindi Impenetrable National Park and Mgahinga Gorilla National Park. This money is expected to improve the livelihoods of communities and alleviate poverty; and
d) In addition to the above, UWA also handed over cheques worth USHS4.2 billion under revenue sharing scheme to six districts neighbouring Murchison Falls National Park. The funds are expected to finance the implementation of conservation projects identified in the 58 parishes and 22 sub-counties of the six districts.

In FY2020/21, Government will:

a) Recover and reintroduce extinct populations of key wildlife species in the protected areas;
b) Continue with wildlife conservation and preservation of cultural heritage for sustainable tourism, environmental protection and sustainable use by communities

neighbouring protected areas; and

c) Review and strengthen the revenue sharing program and other benefit schemes.

Tourism Infrastructure

Among the key tourism sector priorities for FY2019/20, Government committed to upgrade and renovate key tourism infrastructure. These included airfields and priority roads to improve accessibility; electricity and internet infrastructure, and highway stopovers along the tourism routes[250].

In FY2019/20:

a) Government has so far completed the construction of 8 roads out of the 65 tourism roads mapped out in 2012. An additional 15 roads are under construction, with a total length of about 900km; and
b) Uganda National Roads Authority (UNRA) carried out assessment of physical cultural resources, verification of vulnerability and report preparation for affected land along Kabale, Bunyonyi, Kisoro and Mgahinga Tourism roads; and
c) Preparation activities for Facilitation of Resettlement Action Plan for Kabale, Bunyonyi, Kisoro and Mgahinga Tourism roads commenced; and
d) The civil works for the construction of a U.Shs16 billion three-star hotel at Uganda Hotel and Tourism Training Institute (UHTTI) in Jinja District is near completion, with works reportedly at 80 per cent. The remaining key elemnts are the furniture and fittings. The UHTTI is the only Government institution which will provide specialised training and services in hotel and hospitality.

In FY2020/21, Government is committed to working on at least 200km of tourism roads.

Hospitality

a) Government released the Conservation tariff for 2020-2022. Major changes included an increase in Gorilla-tracking fees from US$600 to US$700 for foreign non-residents, and US$500 to US$600 for foreign residents. Park entrance fees remained unchanged;
b) Government embarked on the process for completion of the Uganda Wildlife Education Conservation Centre (UWEC) Floating Restaurant. Funds were transferred for all activities and the procurement process initiated for a contractor to complete the hotel. The restaurant is part of the strategy for the financial sustainability of UWEC, visitor experience/comfort, and creation of more employment opportunities for Ugandans; and
c) UTB developed new criteria and tools for classifying/grading, registering, inspecting and greening of tourist sites; and
d) UTB also registered 168 tour and travel/safari companies, 276 tour guides and 50 accommodation facilities. It also inspected and licensed 23 tour and travel companies.

In FY2020/21:

a) Under the FY2020/21 priorities of KCCA, Government plans to reduce traffic congestion within the city by phasing out all commuter taxis to pave way for buses. A fleet of 980 70-seater buses will be supplied by Askoh Leyland will ply the busiest city routes. The undertaking will also include refurbishment of Old Taxi Park, and installation of more security lights; and

[250] Budget Speech FY2019/20

b) Government plans to roll out the CCTV camera project and speed up installation of monitoring chips on all motorcycles, to address the threats of criminal gangs, kidnaps, murders and robbery.

Skills Development and Training

The tourism sector provides 1.173 million jobs in Uganda (7.8 percent of total employment). Out of those, 667,600 people are directly employed in the Travel and Tourism industry in 2018. Uganda Wildlife Authority alone employs over 2,350 staff.

To increase the stock of human capital along the tourism value chains and create new jobs, the NDP II envisaged the:

a) Development of tourism training institutions as Regional Centres of Excellence;
b) Promotion of private sector investment in tourism skills development with focus on hospitality and wildlife management; and
c) Provision of support to communities around/along tourist sites to engage in income generation activities.

In FY2019/20:

a) UWA, in collaboration with the EU through CITES MIKES and the Uganda Conservation Foundation, started training staff to strengthen their skills in combating illegal wildlife trade and poaching. A total of 430 rangers and wardens recruited from communities neighbouring protected areas, underwent intensive training in leadership, wildlife protection, interpretive guiding, intelligence gathering and ticket inspection by the British military and the Irish Guards. More than 50 rangers also underwent intensive boat operations training;
b) Uganda Hotel and Tourism Training Institute (UHTTI) enrolled 161 new students in the August 2019 intake. 54 percent of these were female. Consequently, the total enrolment increased to 591 students; and
c) A total of 162 new students were enrolled at the Uganda Wildlife Research and Training Institute (UWRTI) for the academic year 2019/20. 68 of these were female.

International Image

Destination branding of the one of the key stratgies identified by the tourism development programme to spur Uganda's tourism sector. The programme aims at increasing annual tourism receipts, create employment along the value chain and increase the sector's competitiveness. The destination brand development and advertising is expected to be realised through the development of the 'Pearl of Africa' destination brand; roll out of the brand and; media buying on key print, online and broadcast media for heightened destination visibility in the domestic, regional and international markets. The key interventions to achive this include i) aggressive marketing of the prioritized tourism products in all source markets; ii) promotion of domestic tourism through cultural, regional cluster initiatives and national events; iii) enhancing women entrepreneurship and employment in cultural and creative industry as well as agro-tourism; and iv) diversifying the country's tourism products by developing tourism products that are less vulnerable to climate change.

In FY2019/20:

a) The New York Times, a leading publication in the US, placed Uganda at number 30 among the top 52 destinations for 2020. Uganda was the second African country listed following Lesotho, which was ranked as 12th. It recognised Uganda as one of the world's primate capitals with 15 species (four of which are endangered) and Bwindi Impenetrable as a sanctuary for endangered mountain gorillas;

b) Uganda's Dr. Barirega Akankwasah, the Ag. Commissioner for Wildlife Conservation in MWTA was elected Vice President of the Conference of Parties to the Convention on Migratory Species of Wildlife (CMS) for the next three years. Uganda will also chair the Committee of the Whole for the Conference of Parties which clears all business for consideration by the Plenary of the Conference50 media partners and journalists from media houses were trained in patriotic journalism and responsible reporting, in order to improve the portrayal of the destination's image in the media in times of crises;

c) UTB supported the organization and promotion of 8 domestic events in a bid to create more partnerships with stakeholders to promote domestic tourism. They include: world Tourism Day, Rolex Festival, Kagulu Hill climbing challenge, Uganda International Fashion Week, Ekyooto Culture & Food Festival, Miss Uganda & Miss Tourism beauty pageants and the 2nd African Primatological Society Conference;

d) An Experience Uganda's outdoor and out of home campaign was launched. 57 billboards were set up at strategic locations across the country (in Kampala, Entebbe, Kasese, Fort Portal, Kabale, Mbale, Jinja, Kapchorwa, Soroti, Lira, Gulu, Masindi, Masaka, Katuna border post) to build top-of-the mind awareness of Uganda's tourism products; for domestic tourism promotion;

e) UTB, in partnership with Kamageo and KPRN organized familiarization tours for the travel trade and travel media personalities from the source markets of UK, Ireland, Germany, Austria and Switzerland. The tours provide the tourists with product knowledge to facilitate marketing and promotion activations in the key source markets;

f) Tourism influencer campaigns were organized and executed in partnership with various renowned personalities: global artist Jidenna, professional mountaineer Tim Macartney-Snape, Uganda's cultural tourism good will Ambassador, Ntare Guma Mbaho, and select North American influencers (Back to the Source campaign) and Tulambule Uganda Influencer Campaign. This aimed at increasing awareness of Uganda's tourist attractions among social media followers of select influencers;

g) UTB, in partnership with the private sector, promoted Uganda's tourism opportunities at 7 regional and international Expos in a consistent effort to build destination awareness and tourism trade linkages in the source markets. They include Japan Association of Travel Agents Expo, UAE Convention, Magical Kenya, Akwaaba travel market, Canada road show, United States of America Tour Operators and World Travel Market UK.

h) Organized the African Birding Expo to promote the avian tourism potential of the destination in the African market place.

i) UTB partnered with Uganda Airlines to promote Uganda's tourism in over ten regional routes i.e. Eastern and Southern Africa. Through this partnership, over 10,000 copies of the Ngaali inflight magazine were published and distributed. Uganda Airlines is the official carrier of the 'Pearl of Africa' Tourism Expo 2020.

j) UTB equipped various missions abroad with tourism information to support their destination marketing and promotion efforts through destination training

In FY2020/21, UTB will:

a) Participate in 3 international tourism and marketing exhibitions to showcase

Uganda's tourism potential;

b) Organise 1 domestic Tourism Fair;
c) Produce and distribute 50,000 promotional materials in the various promotional engagements and markets; and
d) Continue to engage consultants under the Market Destination Representation arrangement.

Security

UWA registered 1,700 cases of human/wildlife conflicts in 2009 which quickly shot to 3,116 by 2018. By 2019, the number had reduced to 2,800 due to a number of protection measures instituted by Government. One of these measures is the National Strategy for Management of Human Wildlife Conflicts developed in 2019, where UWA is working with communities and sharing proceeds from the tourist collections.

In addition to the above, Government achieved the following in FY2019/20:

a) A total of 50.9km of new elephant deterrent trenches were excavated in Murchison Falls National Park, Queen Elizabeth National Park and Kibaale National Park. Furthermore, 161.1km of the existing 237km elephant trenches were maintained. A total of 1,435 beehives were also procured and installed in Kibaale (200), Queen Elizabeth (174), Kidepo Valley (250) and Bwindi Conservation Areas (811). All these measures are aimed at scaring away elephants;
b) Inter-Agency collaboration and coordination was enhanced by establishing a National Wildlife Crime Coordination Taskforce. This taskforce brings together key law-enforcement agencies in Uganda, to combat wildlife crime;
c) Uganda Police begun registering all 'Boda boda' riders in a bid to promote public safety, accessibility and environmental protection. By December 2019, 150,000 riders had been registered;
d) A total of 60 wildlife scouts were recruited, trained and deployed in communities around Murchison Falls National Park, to help in human wildlife conflict management. These were selected from the communities adjacent to the park;
e) Government extended a 20km electric fence and another 27km at Kyambura in Kasese district. This strategy was to adopted to deter elephants from raiding crops in Kasese;
f) Government established and deployed the Problem Animal Control Units (PACU) at each Conservation Area to respond to problem animal incidents; and
g) UWEC acquired its first wildlife ambulance to help rescue endangered animal species. The ambulance worth £50,000, was received from the United Kingdom's Paradise Wildlife Park.

In FY2020/21, Government will:

a) Excavate about 30km of trenches every year in order to reduce the incidence of human/wildlife conflicts, and also erect an electrical fence in some sections of the National Parks;
b) Eradicate invasive and exotic species in the Protected Areas;
c) Clearly mark and maintain all Protected Area boundaries and resolve all encroachment issues;
d) Develop and implement a law enforcement strategy, including recruitment of an appropriate number of numbers;
e) Monitor and assess the impact of human/wildlife conflicts.

Travel

Uganda's tourism arrivals grew by 7.4 percent from 1,402,409 in 2017 to 1,505,669 in 2018. The Strategy is to increase the number of tourists from 1.5 million to close to 3 million tourist arrivals to Uganda. This will in turn, increase the sector's contribution to GDP from 8 to 10 percent.

In FY2019/20:

a) Uganda Airlines received two new Bombardier planes on October 7, 2019; growing its fleet to four. The airline also launched commercial operations to Nairobi and Juba;
b) Government transitioned from online scheduling of appointments for passport applicants to hourly appointments. This is aimed at reducing the length of queues and crowds at the headquarters on Ministry of Internal Affairs;
c) A one stop passport issuance centre was also launched to ease the process of issuing passports. Sensitisation drives are being held to equip citizens with knowledge on how to the online process works;
d) Government launched a new system called 'The Global Travel Assessment System' to enable sharing of information on the passenger manifests with various airlines operating in and out of Entebbe International Airport. The system was acquired with the aid of World Customs Organization (WCO) and US Border Management Unit; and
e) The East African electronic passport was rolled out to replace the existing passports, following a directive by the EAC Heads of State. These passports are easier to read by micro-processor readers at international border points. The phasing out of old passports will be carried out over a period of 2 years.

CHAPTER 7: MACROECONOMIC AND FISCAL OUTLOOK FOR FY 2020/21 AND THE MEDIUM TERM

7.1 MACROECONOMIC AND FISCAL POLICY FRAMEWORK

Government's planning and policy frameworks are hinged on and guided by the need to maintain macroeconomic stability and fiscal sustainability with the goal of achieving inclusive growth and development objectives set out in the National Development Plan. The macroeconomic and fiscal objectives for FY 2020/21 and the medium-term therefore entail: increasing domestic revenue mobilization efforts; maintaining low and stable inflation; plus maintaining debt sustainability. Other macroeconomic and fiscal objectives include: ensuring a stable external position with the rest of the world to cushion against external shocks as well as increasing efficiency in Public investment management to realise the growth dividends from infrastructure investments.

7.2 MACROECONOMIC PROJECTIONS FOR FY 2020/21 AND THE MEDIUM TERM

Economic activity has been affected by triple effects of the COVID-19 pandemic, locust invasion and floods. As a result, economic growth has slowed to 3.1 percent in real terms in FY 2019/20 from an earlier projection of 6.0 percent before the pandemic. Real GDP is projected to grow by 4.5 percent in FY 2020/21, lower than 6.0 percent at the time of the Budget Framework Paper (BFP) due to lagged effects of the COVID-19 outbreak on the economy.

Despite the slowdown, the growth projection of 4.5 percent for FY 2020/21 is an improvement compared to 3.1 percent growth for FY 2019/20. This is due to measures which have been adopted by Government to accelerate economic activity, including (i) Provision of financial resources to the health sector to contain the spread of the coronavirus and treat identified cases, (ii) increasing access to credit by companies and Small and Medium Enterprises (SMEs) through increasing funding to Uganda Development Bank, and Uganda Development Corporation, (iii) enhancing agricultural production and productivity through improving the quality of agricultural inputs, provision of extension services as well as supporting irrigation to reduce reliance on rain fed agriculture, (iv) reducing arrears, (v) differing payment of corporation tax and PAYE for affected companies for a specified period, among others.

Over the medium term, growth is projected to average about 6.0 to 7.0 percent, supported mainly by increased private sector activity due to increased consumer demand post COVID_19, recovery in industry which will be supported by manufacturing as well as public and private construction, continued recovery in the services sector on account of trade and repairs, transport and education; returns from public infrastructure investments and oil mining activities.

Annual headline inflation in FY 2020/21 is projected at 5.6 percent, which is higher than the projection of 3.1 percent for FY 2019/20. Inflation is expected to rise due to; pressure on the exchange rate arising from the worsening of the current account balance due to the COVID-19 pandemic; the rising of the fiscal deficit as Government is faced with spending pressures against significant domestic revenue shortfalls; and increase in food crops inflation on account of adverse weather conditions such as floods in many regions, coupled the locust invasion.

Over the medium-term, annual headline inflation is projected to average 4.9 percent, consistent with the band of +/- 3 percentage points around BoU's medium-term target of 5.0 percent. Table 7.1 details the key macroeconomic assumptions underlying the macroeconomic policy framework for FY 2020/21 and the medium term.

Table 7.1: Macroeconomic Assumptions for FY 2018/19-FY 2024/25

Macroeconomi Assumptions	Outturn	Proj. outturn	Proj.	Proj.	Proj.	Proj.	Proj.
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Nominal GDP at Market Prices (Ushs bn)	131,008	138,283	152,315	170,403	189,941	212,541	238,611
Real MP GDP growth	6.8%	3.1%	4.5%	6.0%	6.4%	7.0%	7.2%
Headline Inflation (Period Average)	3.1%	2.9%	5.6%	5.8%	4.9%	4.7%	5.0%
Core Inflation (Period Average)	3.8%	3.1%	5.6%	4.9%	4.9%	4.7%	5.0%

Source: MoFPED

7.3 FISCAL STRATEGY FOR FY 2020/21 AND THE MEDIUM TERM FISCAL FRAMEWORK

Fiscal Year 2020/21 will be the first year of implementation of the NDP III (FY 2020/21 to FY 2024/25). During this period, Government will continue to pursue fiscal policy that maintains macroeconomic stability and supports inclusive growth, while preserving debt sustainability. To achieve these objectives, Government's fiscal strategy in FY 2020/21 and the medium term will therefore focus on;

i. Continued investment in public infrastructure to accelerate inclusive growth while enhancing efficiency in public investment through the implementation of the Public Investment Management Strategy (PIMS).
ii. Increased revenue mobilisation particularly through the operationalisation of the Domestic Revenue Mobilisation Strategy (DRMS), aimed at improving revenue collections, and in turn, reducing debt reliance and keeping debt at sustainable levels.

Additionally, FY 2020/21 will be the last year fiscal policy is underpinned by the measurable fiscal objectives set out in the Charter for Fiscal responsibility, as specified below;

i. Achieve a 0.5 percentage point increase in the tax to GDP ratio per annum.
ii. A ceiling of the fiscal balance (including grants) of not more than 3 percent of GDP by FY2020/21.
iii. A ceiling of gross public debt of 50 percent of GDP in Net Present Value terms.

However, the outbreak of the COVID-19 pandemic, locust invasion and floods have created shocks to the economy, and this will cause further deviations from achieving some of the above set targets specifically the annual 0.5 percentage point increase in the tax to GDP ratio and the fiscal balance of 3 percent of GDP by FY 2020/21 as elaborated below;

i. Tax to GDP ratio: Government imposed lockdown restrictions to combat the spread of the coronavirus and this has greatly reduced economic activity as well as the demand for goods and services in the economy. As a result, tax revenue collections for FY 2019/20 have greatly reduced compared to the projection at the time of the Appropriated Budget, hence affecting the tax revenue projection for FY 2020/21.

Therefore, despite Government's commitment to raise revenue by 0.5 percentage points in line with the Domestic Revenue Mobilisation Strategy, revenue is projected to grow by an average of 0.4 percentage points from FY 2019/20 to FY 2021/22.

ii. Fiscal Deficit: The COVID-19 outbreak and floods have necessitated additional expenditure in health, security and support to the people whose livelihoods have been affected as well as increase in domestic arrears payments to SMEs and other key sectors. In addition, the outbreak of the coronavirus and absorption capacity challenges have also impacted the implementation of many Government infrastructure projects. Delays in disbursement of funds and supply chain disruptions have prompted revision of project profiles. Projected lifecycles have been extended further yet some of the projects were due for completion, hence creating additional pressure on the budget deficit and public debt in FY2020/21 and the subsequent years. The Fiscal deficit in FY 2020/21 is therefore projected at 8.6 percent, higher than the 3 percent specified in the measurable fiscal objectives of the Charter for Fiscal Responsibility.

Despite the above pressures, Government's fiscal strategy will ensure that the fiscal deficit remains within sustainable levels-with the debt to GDP ratios remaining below 50 percent over the medium to long-term. The fiscal deficit will converge at 3 percent of GDP by FY 2024/25, while expenditure will average 21.5 percent between FY 2020/21 and FY 2024/25.

7.4 RESOURCE ENVELOPE PROJECTIONS FOR FY 2020/21

Resources available for expenditure in FY 2020/21 and the medium term will be obtained from both domestic and external sources. This will include; domestic revenue (tax and non-tax revenue), domestic borrowing, budget support grants and loans, as well as project support (grants, concessional and non-concessional loans). The resource envelope net of arrears and domestic debt repayments is projected to amount to Shs 26,597.8 billion in FY2020/21 and increase to Shs 37,043 billion by FY 2024/25. Table 7.2 shows the medium term resource envelope projections.

Table 7.2: Medium-Term Resource Envelope Projections

Medium-Term Budget Framework - Shs Bn	Proj. 2020/21	Proj. 2021/22	Proj. 2022/23	Proj. 2023/24	Proj. 2024/25
A. Budget Support (net of HIPC debt relief) - Shs	2,906.7	2,310.2	1,880.4	1,085.7	0.0
Grants	133.6	0.0	0.0	0.0	0.0
Loans (including revolving credit)	2,773.1	2,310.2	1,880.4	1,085.7	0.0
B. Externally financed projects - Shs	9,515.3	7,533.6	9,498.2	9,368.4	8,562.8
Grants	1,586.3	1,369.4	827.8	643.7	152.7
Concessional loans	4,568.0	3,258.8	3,401.7	3,352.6	2,272.8
Non-concessional loans	3,361.0	2,905.4	5,268.6	5,372.1	6,137.3
o/w HPPs	819.7	0.0	0.0	0.0	0.0
o/w Other	2,541.3	2,905.4	5,268.6	5,372.1	6,137.3
C. Domestic Resources	21,809.7	24,916.0	28,590.8	33,572.1	40,221.9
Tax Revenue	20,218.7	23,144.61	26,632.91	30,897.85	35,941.99
Non-Tax Revenue	1,591.0	1,771.43	1,957.85	2,257.02	2,562.21
o/w AIA	917.8	980.1	1,098.6	1,236.9	1,388.6
Oil revenue	0.0	0.0	0.0	417.3	1,717.7
D. External Debt Repayments - Shs	-1,228.9	-1,812.7	-2,859.0	-3,307.0	-4,142.1
Amortisation (net of HIPC debt relief and rescheduling)	-1,228.9	-1,812.7	-2,859.0	-3,307.0	-4,142.1
Arrears	0.0	0.0	0.0	0.0	0.0
E. Domestic Financing	10,564.8	10,463.2	9,843.1	9,185.3	9,294.5
o/w domestic debt refinancing	7,486.1	7,348.7	7,150.4	7,334.1	8,331.3
o/w domestic borrowing	3,054.2	3,114.5	2,692.7	2,268.5	1,306.7
o/w drawdown from Government Deposits (Foreign Affairs and Tourism)	24.4				
F. Resource Envelope Including Projects (A+B+C+D+E)	**43,567.5**	**43,410.4**	**46,953.5**	**49,904.6**	**53,937.1**
G. GoU Resource Envelope (F–B)	**34,052.2**	**35,876.8**	**37,455.3**	**40,536.2**	**45,374.3**
GoU Res Env net of Interest, Arrears & Domestic Debt Repayme (G–M1–M2–M3–M4)	**22,066.5**	**23,563.7**	**25,044.9**	**27,777.0**	**31,298.7**
GoU Res Env net of Arrears & Domestic Debt Repayments (G–M3–M4)	**26,116.1**	**28,128.0**	**29,905.0**	**33,002.2**	**37,043.0**
I. Recapitalisation	**481.7**	**0.0**	**0.0**	**0.0**	**0.0**
BoU Recapitalisation	**481.7**	**0.0**	**0.0**	**0.0**	**0.0**
Recapitalisation of Housing Finance Bank using savings held by Housing Finance Bank from the sale of pool houses					
Total including BoU Recapitalisation	**26,597.8**	**28,128.0**	**29,905.0**	**33,002.2**	**37,043.0**

Source: MoFPED

7.4.1 Domestic Resources

The net domestic revenue target for FY 2020/21 is Shs 21,809.7 billion, equivalent to 14.3 percent of GDP. Non tax revenue is projected at Shs 1,591 billion, of which Shs 917.8 billion is Appropriation in Aid (AIA). Tax collections are projected to amount to Shs 20,218.7 billion which translates to 13.3 percent of GDP.

The growth in tax revenue is hinged on the recovery in the level of economic activity, stable inflation and exchange rate, enhanced tax compliance, new tax policy measures as well as improved administrative measures.

7.4.2 External Resources

A total of Shs 12,422 billion of external resources is projected to support the budget in FY 2020/21. Of this, Shs 2,906.7 billion is Budget support and Shs 9,515.3 billion is for financing projects.

Budget Support

Budget support in form of grants and loans is projected to be Shs 2,906.7 billion in FY 2020/21 mainly to support COVID-19 relief programs.

Externally financed projects

External project financing in FY 2020/21 is expected to amount to Shs 9,515.3 billion, and reduce to Shs 8,562.8 billion in FY 2024/25, on assumption that some of the big infrastructure projects will be completed and there will be increase in domestic resources available for financing expenditure over the medium term. Additionally, projections for project financing are highly provisional beyond two years of the Fiscal Framework, because most Development Partners commit funds for atmost two years as reflected by the decline in grants and concessional loans after that time.

7.4.3 External Debt Repayments

Amortization of external debt is projected at Shs 1,228.9 billion in FY 2020/21 and will broadly increase over the medium term to peak at Shs 4,142.1 billion in FY 2024/25. The increase in amortisation is owed to the fact that repayments of debt acquired to scale up public investments will fall due during this period.

7.4.4 Domestic Financing

Domestic Borrowing

Borrowing from the domestic market excluding recapitalization and domestic debt refinancing is projected to amount to Shs 3,054.2 billion in FY2020/21. It will subsequently decline over the medium term in line with Government's strategy of maintaining domestic borrowing within one percent of GDP to avoid crowding out the private sector.

7.5 MEDIUM TERM FISCAL FRAMEWORK

Domestic revenue is projected at Shs 21,809.7 billion in FY 2020/21, which translates into 14.3 percent of GDP. Domestic revenue is projected to grow by 0.3 percent of GDP in FY2021/22 and improve further to an average of 0.75 percent of GDP in the last three years of the medium term. This will largely be on account of increased tax revenue collections due to enhanced tax compliance and administrative measures, as well as the implementation of the Domestic Revenue Mobilisation Strategy (DRMS), and revenues from oil related activities in FY 2024/25.

Government expenditure is projected to amount to Shs 36,563 billion in FY 2020/21, an increase of 27 percent from the previous financial year. Consequently, the fiscal deficit will peak at 8.6 percent as Government continues to front load infrastructure investments and will thereafter decline gradually to 3.0 percent by the end of the medium term.

Fiscal space is expected to increase over the medium term, largely on account of increased domestic revenue as Government implements strategies like the DRMS, consequently increasing the percentage of the budget financed by domestic resources.

Table 7.3: Medium-Term Fiscal Framework

	outturn 2018/19	proj. Outturn 2019/20	proj. 2020/21	proj. 2021/22	proj. 2022/23	proj. 2023/24	proj. 2024/25
Total revenue and grants	17,839.3	18,468.8	23,529.6	26,285.5	29,418.6	34,215.8	40,374.6
Revenue	16,637.8	17,589.8	21,809.7	24,916.1	28,590.8	33,572.1	40,221.9
Tax revenue	16,163.0	16,073.4	20,218.7	23,144.6	26,632.9	30,897.9	35,942.0
Non-tax revenue (including AIA)	474.8	1,516.4	1,591.0	1,771.4	1,957.8	2,257.0	2,562.2
o/w Appropriation in Aid		486.1	917.8	980.1	1,098.6	1,236.9	1,388.6
Oil revenues (including capital gains tax)	0.0	0.0	0.0	0.0	0.0	417.3	1,717.7
Grants	1,201.6	879.0	1,719.9	1,369.4	827.8	643.7	152.7
Budget support	594.9	45.0	133.6	0.0	0.0	0.0	0.0
Project grants	606.7	834.0	1,586.3	1,369.4	827.8	643.7	152.7
Expenditures and net lending	24,267.6	28,809.5	36,563.1	36,724.8	39,803.2	43,167.3	47,588.2
Current expenditures	12,373.6	15,635.3	17,627.1	19,371.6	20,560.1	22,515.3	25,507.5
Wages and salaries	4,213.3	4,871.2	5,082.2	5,676.8	6,379.7	7,269.8	8,418.8
Interest payments and commitment fees	2,525.3	3,651.8	4,049.5	4,564.3	4,860.0	5,225.2	5,744.3
Other current spending	5,635.0	7,112.3	8,495.4	9,130.5	9,320.4	10,020.4	11,344.4
Development expenditures	10,047.1	11,360.7	17,184.5	16,953.2	18,843.0	20,452.0	22,080.7
External	4,148.5	3,958.7	8,695.6	8,196.8	9,498.2	9,965.2	10,545.1
Domestic	5,898.6	7,402.0	8,488.9	8,756.4	9,344.8	10,486.8	11,535.5
Net lending and investment	1,428.1	1,355.4	1,301.4	0.0	0.0	0.0	0.0
Of which: BoU and other Recapitalisation	0.0	792.3	481.7	0.0	0.0	0.0	0.0
Other spending (clearance of arrears, etc.)	418.8	458.0	450.0	400.0	400.0	200.0	0.0
Overall balance	**-6,428.2**	**-10,340.6**	**-13,033.5**	**-10,439.3**	**-10,384.6**	**-8,951.5**	**-7,213.6**
Primary balance	-3,902.9	-6,688.8	-8,983.9	-5,875.0	-5,524.5	-3,726.4	-1,469.3
Financing	6,428.2	10,340.6	13,033.5	10,439.3	10,384.6	8,951.5	7,213.6
External financing (net)	3,680.3	6,723.4	9,473.2	7,324.8	7,691.8	7,100.3	6,250.4
Disbursement	4,878.4	7,460.7	10,702.1	9,137.5	10,550.8	10,407.3	10,392.4
Budget support	188.3	3,773.0	2,773.1	2,310.2	1,880.4	1,085.7	0.0
Concessional project loans	3,135.7	2,353.4	4,568.0	3,921.9	3,401.7	3,949.4	4,255.1
Non-concessional borrowing	1,554.4	1,334.3	3,361.0	2,905.4	5,268.6	5,372.1	6,137.3
Amortisation (-)	-1,198.1	-737.3	-1,228.9	-1,812.7	-2,859.0	-3,307.0	-4,142.1
Domestic financing (net)	2,464.5	3,617.2	3,560.3	3,114.5	2,692.7	1,851.2	963.2
Bank financing	1,256.3	2,332.3	2,030.2	1,554.1	1,343.7	714.7	308.5
Bank of Uganda	-4,893.8	-5,257.1	-6,980.0	-7,348.7	-7,150.4	-7,751.3	-8,674.8
o/w: recapitalisation securities	0.0	792.3	481.7	0.0	0.0	0.0	0.0
o/w: domestic refinancing	-5,237.0	-6,304.5	-7,486.1	-7,348.7	-7,150.4	-7,334.1	-8,331.3
Commercial banks	6,150.1	7,589.4	9,010.2	8,902.9	8,494.0	8,466.0	8,983.4
o/w: securities for fiscal purposes	954.8	1,284.9	1,524.0	1,554.1	1,343.7	1,132.0	652.1
o/w: securities for domestic amoritisation	5,237.0	6,304.5	7,486.1	7,348.7	7,150.4	7,334.1	8,331.3
Non-Bank financing	1,208.2	1,284.9	1,530.1	1,560.4	1,349.1	1,136.5	654.7
Errors and omissions/gap	283.4	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:							
Fiscal deficit (% of GDP)							
Including grants	-4.9%	-7.5%	-8.6%	-6.1%	-5.5%	-4.2%	-3.0%
Excluding grants	-5.8%	-8.1%	-9.7%	-6.9%	-5.9%	-4.5%	-3.1%
Expenditure (% of GDP)	18.5%	20.8%	24.0%	21.6%	21.0%	20.3%	19.9%

Source: MoFPED

Notes: Figures net of HIPC debt relief unless stated otherwise. In the outer years, projections for project grants, external development expenditure and concessional project loans may include forecasted new projects not yet allocated in the MTEF.

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Table 1: Summary of Gross Domestic Product (GDP) at market prices

	2015/16	2016/17	2017/18	2018/19	2019/20
GDP at market prices					
At current prices (Billion shillings)	99,540	108,051	119,964	131,008	138,283
At constant 2016/17 prices (Billion shillings)	104,060	108,051	114,721	122,494	126,258
Quantity index (2016/17=100)	136.3	141.5	150.3	160.5	165.4
Constant price growth rates (%)	4.8%	3.8%	6.2%	6.8%	3.1%
Implied deflators (2016/17=100)	95.7%	100.0%	104.6%	107.0%	109.5%
GDP per capita at current prices					
GDP per capita (UGS '000)	2,774	2,928	3,162	3,359	3,368
GDP per capita (US $)	806	830	864	899	905
GDP per capita at constant prices					
GDP per capita (UGS '000)	2,900	2,928	3,024	3,141	3,075
GDP per capita (US $)	822	830	857	890	871
Memorandum items					
Population ('000)	35,885	36,904	37,942	38,999	41,054
Exchange rate UGS per US $	3,443	3,530	3,659	3,736	3,720

Note: Population is as at end December

Source: Uganda Bureau of Statistics

Table 2a: Value added by economic activity at current prices, Bill shs. Fiscal years

	2015/16	2016/17	2017/18	2018/19	2019/20
GDP at market prices	**99,540**	**108,051**	**119,964**	**131,008**	**138,283**
Agriculture, forestry and fishing	**22,820**	**25,515**	**28,019**	**30,317**	**32,780**
Cash crops	2,120	2,552	2,707	2,596	2,567
Food crops	11,637	13,493	15,060	15,306	16,435
Livestock	2,989	3,309	3,872	4,487	5,259
Agriculture Support Services	15.3	16.5	16.8	18.2	19.3
Forestry	3,824	3,963	4,477	4,912	5,547
Fishing	2,235	2,182	1,887	2,998	2,952
Industry	**26,315**	**28,248**	**31,397**	**34,575**	**35,917**
Mining & quarrying	1,082	1,337	1,354	1,699	2,125
Manufacturing	16,324	16,845	18,978	20,409	21,116
Electricity	1,222	1,379	1,546	1,742	1,796
Water	2,308	2,578	2,888	2,985	3,118
Construction	5,380	6,109	6,630	7,739	7,762
Services	**43,626**	**46,657**	**51,903**	**56,294**	**60,241**
Trade and Repairs	9,292	9,840	10,752	11,269	11,825
Transportation and Storage	3,392	3,621	4,107	4,555	4,519
Accommodation and Food Service Activities	2,498	3,212	3,666	3,712	3,657
Information and Communication	2,241	2,061	2,421	2,616	3,227
Financial and Insurance Activities	2,622	2,871	3,045	3,526	3,779
Real Estate Activities	6,147	6,486	7,345	8,181	8,822
Professional, Scientific and Technical Activities	2,168	2,338	2,590	2,707	2,957
Administrative and Support Service Activities	1,750	1,901	1,990	2,362	2,687
Public Administration	2,159	2,678	3,049	3,254	3,755
Education	4,404	4,329	4,811	5,343	5,682
Human Health and Social Work Activities	3,161	3,314	3,998	4,326	4,507
Arts, Entertainment and Recreation	116	131	206	244	252
Other Service Activities	2,847	2,984	2,971	3,188	3,511
Activities of Households as Employers	829	891	951	1,011	1,061
Adjustments	**6,778**	**7,631**	**8,645**	**9,822**	**9,345**
Taxes on products	6,778	7,631	8,645	9,822	9,345

Table 2b: Expenditure on GDP at current prices, Bill shs. Fiscal years

	2015/16	2016/17	2017/18	2018/19	2019/20
GDP at Market Prices	**99,540**	**108,051**	**119,964**	**131,008**	**138,283**
Final Consumption Expenditure	**78,648**	**85,349**	**96,580**	**104,559**	**110,663**
General Government Final Consumption Exp	7,520	9,427	10,616	11,791	12,041
NPISH Final Consumption Exp	3,857	4,257	4,957	5,690	6,413
Household Final Consumption Exp	67,271	71,664	81,007	87,079	92,209
Gross Fixed Capital Formation	**24,694**	**26,085**	**27,934**	**31,064**	**31,216**
Dwellings	339	330	397	448	448
Other Buildings	5,225	5,980	6,518	7,488	7,791
Other Structures	8,186	9,377	10,068	12,004	12,419
Transport Equipment	2,314	1,877	1,734	970	608
ICT Equipment	662	745	593	624	530
Other Machinery and Equipment	5,998	5,689	6,236	7,154	6,860
Biological Resources	867	980	1,064	1,188	1,337
Research and Development	731	679	751	615	649
Mineral and Petroleum Exploration	374	429	574	574	574
Changes in Inventories	**509**	**568**	**647**	**770**	**908**
Acquisitions less Disposals of Valuables	**1**	**2**	**3**	**3**	**3**
Exports less Imports of Goods and Services	**-7,906**	**-7,665**	**-12,538**	**-14,923**	**-15,709**
Exports	**12,533**	**18,155**	**18,258**	**23,909**	**20,359**
Goods	9,184	11,544	11,217	16,553	14,138
Services	3,349	6,612	7,040	7,356	6,221
Less Imports	**20,439**	**25,821**	**30,796**	**38,833**	**36,068**
Goods	17,140	18,417	22,473	28,585	28,781
Services	3,299	7,404	8,323	10,248	7,287
Statistical Discrepancy					

Source: Uganda Bureau of Statistics

Table 3a: Value added by economic activity at constant (2016/17) prices, Bill shs, fis

	2015/16	2016/17	2017/18	2018/19	2019/20
GDP at market prices	**104,060**	**108,051**	**114,721**	**122,494**	**126,258**
Agriculture, forestry and fishing	**24,838**	**25,515**	**26,625**	**28,036**	**29,217**
Cash crops	2,333	2,552	2,706	2,821	2,895
Food crops	13,202	13,493	14,630	14,843	15,482
Livestock	3,092	3,309	3,545	3,805	4,098
Agriculture Support Services	16	16	16	18	19
Forestry	3,829	3,963	4,096	4,242	4,379
Fishing	2,366	2,182	1,632	2,308	2,344
Industry	**26,444**	**28,248**	**30,078**	**33,124**	**33,902**
Mining & quarrying	1,008	1,337	1,745	2,327	2,262
Manufacturing	16,265	16,845	17,624	18,992	19,262
Electricity	1,263	1,379	1,455	1,491	1,544
Water	2,442	2,578	2,682	2,808	2,922
Construction	5,468	6,109	6,573	7,506	7,911
Services	**45,900**	**46,657**	**50,225**	**53,091**	**55,007**
Trade and Repairs	9,965	9,840	10,576	11,098	10,923
Transportation and Storage	3,541	3,621	3,991	4,078	4,018
Accommodation and Food Service Activities	2,683	3,212	3,473	3,577	3,325
Information and Communication	1,740	2,061	1,980	1,967	2,641
Financial and Insurance Activities	2,947	2,871	2,972	3,200	3,435
Real Estate Activities	6,389	6,486	7,237	7,969	8,379
Professional, Scientific and Technical Activities	2,296	2,338	2,526	2,598	2,712
Administrative and Support Service Activities	1,944	1,901	1,995	2,344	2,618
Public Administration	2,257	2,678	2,938	3,032	3,427
Education	4,881	4,329	4,626	4,983	5,113
Human Health and Social Work Activities	3,314	3,314	3,858	4,056	4,133
Arts, Entertainment and Recreation	101	131	217	263	236
Other Service Activities	2,975	2,984	2,921	2,983	3,080
Activities of Households as Employers	867	891	916	942	968
Adjustments	**6,878**	**7,631**	**7,792**	**8,243**	**8,132**
Taxes on products	6,878	7,631	7,792	8,243	8,132

Table 3b: Expenditure on GDP at constant (2016/17) prices, Bill shs. fiscal

	2015/16	2016/17	2017/18	2018/19	2019/20
GDP at Market Prices	**104,060**	**108,051**	**114,721**	**122,494**	**126,258**
Final Consumption Expenditure	**83,554**	**85,349**	**92,938**	**99,159**	**101,801**
General Government Final Consumption Exp	7,830	9,427	10,218	10,916	11,018
NPISH Final Consumption Exp	3,957	4,257	4,867	5,483	4,906
Household Final Consumption Exp	71,767	71,664	77,853	82,760	85,877
Gross Fixed Capital Formation	**25,267**	**26,085**	**27,365**	**29,718**	**30,135**
Dwellings	325	330	335	341	346
Other Buildings	5,338	5,980	6,457	7,229	7,662
Other Structures	8,365	9,377	10,097	11,737	12,346
Transport Equipment	2,304	1,877	1,143	619	395
ICT Equipment	678	745	581	596	493
Other Machinery & Equipment	6,263	5,689	6,398	6,899	6,528
Biological Resources	858	980	1,056	1,150	1,199
Research and Development	764	679	723	572	592
Mineral & Petroleum Exploration	374	429	574	574	574
Changes in Inventories	**520**	**354**	**623**	**683**	**751**
Acquisitions less Disposals of Valuables	**7**	**2**	**1**	**0**	**1**
Exports less Imports of Goods and Services	**-7,846**	**-3,739**	**-3,899**	**-6,806**	**-6,461**
Exports	**13,505**	**18,155**	**19,839**	**22,066**	**20,315**
Goods	10,028	11,544	12,918	15,139	14,532
Services	3,477	6,612	6,921	6,927	5,783
Less Imports	**22,969**	**25,821**	**28,430**	**33,755**	**30,311**
Goods	19,548	18,417	20,264	24,270	23,635
Services	3,421	7,404	8,166	9,485	6,676
Statistical Discrepancy					

Source: Uganda Bureau of Statistics

Table 4a: Percentage growth rates for Value added by economic activity at constant (2016/17) prices fiscal years

	2016/17	2017/18	2018/19	2019/20
GDP at market prices	**3.8**	**6.2**	**6.8**	**3.1**
Agriculture, forestry and fishing	**2.7**	**4.4**	**5.3**	**4.2**
Cash crops	9.4	6.0	4.2	2.6
Food crops	2.2	8.4	1.5	4.3
Livestock	7.0	7.1	7.3	7.7
Agriculture Support Services	3.8	-0.5	8.8	6.3
Forestry	3.5	3.4	3.6	3.2
Fishing	-7.8	-25.2	41.4	1.6
Industry	**6.8**	**6.5**	**10.1**	**2.3**
Mining & quarrying	32.7	30.5	33.4	-2.8
Manufacturing	3.6	4.6	7.8	1.4
Electricity	9.2	5.5	2.5	3.6
Water	5.6	4.0	4.7	4.0
Construction	11.7	7.6	14.2	5.4
Services	**1.6**	**7.6**	**5.7**	**3.6**
Trade and Repairs	-1.3	7.5	4.9	-1.6
Transportation and Storage	2.3	10.2	2.2	-1.5
Accommodation and Food Service Activities	19.7	8.1	3.0	-7.0
Information and Communication	18.4	-3.9	-0.6	34.3
Financial and Insurance Activities	-2.6	3.5	7.7	7.3
Real Estate Activities	1.5	11.6	10.1	5.1
Professional, Scientific and Technical Activities	1.9	8.0	2.9	4.4
Administrative and Support Service Activities	-2.2	4.9	17.5	11.7
Public Administration	18.6	9.7	3.2	13.0
Education	-11.3	6.9	7.7	2.6
Human Health and Social Work Activities	0.0	16.4	5.1	1.9
Arts, Entertainment and Recreation	29.7	65.8	21.2	-10.3
Other Service Activities	0.3	-2.1	2.1	3.2
Activities of Households as Employers	2.8	2.8	2.8	2.8
Adjustments	**10.9**	**2.1**	**5.8**	**-1.3**
Taxes on products	10.9	2.1	5.8	-1.3

Table 4b: Percentage growth rates for Expenditure on GDP at constant (2016/17) prices, fiscal years

	2016/17	2017/18	2018/19	2019/20
GDP at Market Prices	**3.8**	**6.2**	**6.8**	**3.1**
Final Consumption Expenditure	**2.1**	**8.9**	**6.7**	**2.7**
General Government Final Consumption Exp	20.4	8.4	6.8	0.9
NPISH Final Consumption Exp	7.6	14.3	12.6	-10.5
Household Final Consumption Exp	-0.1	8.6	6.3	3.8
Gross Fixed Capital Formation	**3.2**	**4.9**	**8.6**	**1.4**
Dwellings	1.6	1.6	1.6	1.6
Other Buildings	12.0	8.0	12.0	6.0
Other Structures	12.1	7.7	16.2	5.2
Transport Equipment	-18.5	-39.1	-45.8	-36.3
ICT Equipment	9.9	-21.9	2.6	-17.3
Other Machinery and Equipment	-9.2	12.5	7.8	-5.4
Biological Resources	14.2	7.8	8.9	4.2
Research and Development	-11.1	6.6	-20.9	3.5
Mineral and Petroleum Exploration	14.9	33.8	0.0	0.0
Changes in Inventories	**-32.0**	**75.8**	**9.7**	**9.9**
Acquisitions less Disposals of Valuables	**-73.3**	**-73.4**	**-30.5**	**50.7**
Exports less Imports of Goods and Services	**-52.3**	**4.3**	**74.5**	**-5.1**
Exports	**34.4**	**9.3**	**11.2**	**-7.9**
Goods	15.1	11.9	17.2	-4.0
Services	90.1	4.7	0.1	-16.5
Less Imports	**12.4**	**10.1**	**18.7**	**-10.2**
Goods	-5.8	10.0	19.8	-2.6
Services	116.4	10.3	16.2	-29.6
Statistical Discrepancy				

Source: Uganda Bureau of Statistics

Table 5a: Percentage share for Value added by economic activity at current prices, fiscal years

	2016/17	2017/18	2018/19	2019/20
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**
Agriculture, forestry and fishing	**23.6**	**23.4**	**23.1**	**23.7**
Cash crops	2.4	2.3	2.0	1.9
Food crops	12.5	12.6	11.7	11.9
Livestock	3.1	3.2	3.4	3.8
Agriculture Support Services	0.0	0.0	0.0	0.0
Forestry	3.7	3.7	3.7	4.0
Fishing	2.0	1.6	2.3	2.1
Industry	**26.1**	**26.2**	**26.4**	**26.0**
Mining & quarrying	1.2	1.1	1.3	1.5
Manufacturing	15.6	15.8	15.6	15.3
Electricity	1.3	1.3	1.3	1.3
Water	2.4	2.4	2.3	2.3
Construction	5.7	5.5	5.9	5.6
Services	**43.2**	**43.3**	**43.0**	**43.6**
Trade and Repairs	9.1	9.0	8.6	8.6
Transportation and Storage	3.4	3.4	3.5	3.3
Accommodation and Food Service Activities	3.0	3.1	2.8	2.6
Information and Communication	1.9	2.0	2.0	2.3
Financial and Insurance Activities	2.7	2.5	2.7	2.7
Real Estate Activities	6.0	6.1	6.2	6.4
Professional, Scientific and Technical Activities	2.2	2.2	2.1	2.1
Administrative and Support Service Activities	1.8	1.7	1.8	1.9
Public Administration	2.5	2.5	2.5	2.7
Education	4.0	4.0	4.1	4.1
Human Health and Social Work Activities	3.1	3.3	3.3	3.3
Arts, Entertainment and Recreation	0.1	0.2	0.2	0.2
Other Service Activities	2.8	2.5	2.4	2.5
Activities of Households as Employers	0.8	0.8	0.8	0.8
Adjustments	**7.1**	**7.2**	**7.5**	**6.8**
Taxes on products	**7.1**	**7.2**	**7.5**	**6.8**

Table 5b: Percentage share for Expenditure on GDP at current prices, fiscal years

	2016/17	2017/18	2018/19	2019/20
GDP at Market Prices	**100.0**	**100.0**	**100.0**	**100.0**
Final Consumption Expenditure	**79.0**	**80.5**	**79.8**	**80.0**
General Government FCE	8.7	8.8	9.0	8.7
NPISH FCE	3.9	4.1	4.3	4.6
Household FCE	66.3	67.5	66.5	66.7
Gross Fixed Capital Formation	**24.1**	**23.3**	**23.7**	**22.6**
Dwellings	0.3	0.3	0.3	0.3
Other Buildings	5.5	5.4	5.7	5.6
Other Structures	8.7	8.4	9.2	9.0
Transport Equipment	1.7	1.4	0.7	0.4
ICT Equipment	0.7	0.5	0.5	0.4
Other Machinery and Equipment	5.3	5.2	5.5	5.0
Biological Resources	0.9	0.9	0.9	1.0
Research and Development	0.6	0.6	0.5	0.5
Mineral and Petroleum Exploration	0.4	0.5	0.4	0.4
Changes in Inventories	**0.5**	**0.5**	**0.6**	**0.7**
Acquisitions less Disposals of Valuables	**0.0**	**0.0**	**0.0**	**0.0**
Exports less Imports of Goods and Services	**-7.1**	**-10.5**	**-11.4**	**-11.4**
Exports	**16.8**	**15.2**	**18.3**	**14.7**
Goods	10.7	9.4	12.6	10.2
Services	6.1	5.9	5.6	4.5
Less Imports	23.9	25.7	29.6	26.1
Goods	17.0	18.7	21.8	20.8
Services	6.9	6.9	7.8	5.3
Statistical Discrepancy				

Source: Uganda Bureau of Statistics

Table 6a: Implicit price deflators for Value added by economic activity (2016/17=100), fiscal years

	2016/17	2017/18	2018/19	2019/20
CPI				
GDP at market prices	**100.0**	**104.6**	**107.0**	**109.5**
Agriculture, forestry and fishing	**100.0**	**105.2**	**108.1**	**112.2**
Cash crops	100.0	100.0	92.0	88.7
Food crops	100.0	102.9	103.1	106.2
Livestock	100.0	109.2	117.9	128.3
Agriculture Support Services	100.0	102.5	101.8	101.7
Forestry	100.0	109.3	115.8	126.7
Fishing	100.0	115.6	129.9	125.9
Industry	**100.0**	**104.4**	**104.4**	**105.9**
Mining & quarrying	100.0	77.6	73.0	93.9
Manufacturing	100.0	107.7	107.5	109.6
Electricity	100.0	106.3	116.9	116.3
Water	100.0	107.7	106.3	106.7
Construction	100.0	100.9	103.1	98.1
Services	**100.0**	**103.3**	**106.0**	**109.5**
Trade and Repairs	100.0	101.7	101.5	108.3
Transportation and Storage	100.0	102.9	111.7	112.5
Accommodation and Food Service Activities	100.0	105.6	103.8	110.0
Information and Communication	100.0	122.3	133.0	122.2
Financial and Insurance Activities	100.0	102.4	110.2	110.0
Real Estate Activities	100.0	101.5	102.7	105.3
Professional, Scientific and Technical Activities	100.0	102.5	104.2	109.0
Administrative and Support Service Activities	100.0	99.7	100.7	102.6
Public Administration	100.0	103.8	107.3	109.6
Education	100.0	104.0	107.2	111.1
Human Health and Social Work Activities	100.0	103.6	106.7	109.1
Arts, Entertainment and Recreation	100.0	94.7	92.7	106.6
Other Service Activities	100.0	101.7	106.9	114.0
Activities of Households as Employers	100.0	103.8	107.4	109.6
Adjustments	**100.0**	**110.9**	**119.2**	**114.9**
Taxes on products	100.0	110.9	119.2	114.9

Table 6b: Implicit price deflators for Expenditure on GDP (2016/17=100), fiscal years

	2016/17	2017/18	2018/19	2019/20
GDP at Market Prices	**100.0**	**104.6**	**107.0**	**109.5**
Final Consumption Expenditure	**100.0**	**103.9**	**105.4**	**108.7**
General Government FCE	100.0	103.9	108.0	109.3
NPISH FCE	100.0	101.8	103.8	130.7
Household FCE	100.0	104.1	105.2	107.4
Gross Fixed Capital Formation	**100.0**	**102.1**	**104.5**	**103.6**
Dwellings	100.0	118.4	131.7	129.7
Other Buildings	100.0	100.9	103.6	101.7
Other Structures	100.0	99.7	102.3	100.6
Transport Equipment	100.0	151.7	156.7	154.0
ICT Equipment	100.0	102.1	104.5	107.5
Other Machinery and Equipment	100.0	97.5	103.7	105.1
Biological Resources	100.0	100.8	103.3	111.5
Research and Development	100.0	103.8	107.4	109.6
Mineral and Petroleum Exploration	100.0	100.0	100.0	100.0
Changes in Inventories	**160.5**	**103.9**	**112.7**	**120.8**
Acquisitions less Disposals of Valuables	**100.0**	**502.4**	**852.8**	**485.9**
Exports less Imports of Goods and Services	**205.0**	**321.6**	**219.3**	**243.1**
Exports	**100.0**	**92.0**	**108.4**	**100.2**
Goods	100.0	86.8	109.3	97.3
Services	100.0	101.7	106.2	107.6
Less Imports	**100.0**	**108.3**	**115.0**	**119.0**
Goods	100.0	110.9	117.8	121.8
Services	100.0	101.9	108.0	109.2
Statistical Discrepancy				

Source: Uganda Bureau of Statistics

Table 7: Composite CPI for Uganda, 2015- 2020 (Base 2009/10=100)

	Food And Non-Alcoholic Beverages	Alcoholic Beverages, Tobacco & Narcotics	Clothing and Footwear	Housing, Water, Electricity, Gas and Other Fuels	Furnishings, Household Equipment and Routine Household Maintenance	Health	Transport	Communication	Recreation and Culture	Education	Restaurants and Hotels	Miscellaneous Goods and Services	All Items Index	Monthly % change	Annual % change
Weights	**284.6198**	**27.9824**	**50.8029**	**119.4255**	**38.6638**	**57.5151**	**137.7904**	**51.8153**	**55.1688**	**55.0753**	**57.2272**	**63.9136**	**1000.0000**		
Calendar year															
2015	160.77	145.59	174.63	170.46	165.74	155.28	132.26	110.01	122.13	156.81	145.91	150.37	151.66		5.5
2016	169.59	153.47	184.87	176.12	170.57	155.09	138.33	105.92	124.76	180.44	154.00	160.66	158.95		4.8
2017	186.78	154.81	190.77	184.76	180.40	157.77	139.69	103.16	132.59	196.83	162.95	165.01	167.92		5.6
2018	184.57	158.28	198.19	195.44	187.45	161.34	152.99	100.98	136.36	205.06	167.14	167.96	172.33		2.6
2019	184.19	160.79	207.83	201.15	192.15	164.70	164.86	102.92	139.16	216.69	170.20	179.36	177.27		2.9
Financial year															
2014/15	153.14	143.91	164.67	161.24	160.14	148.72	129.47	103.78	120.77	152.83	141.55	146.42	145.74		2.9
2015/16	165.42	149.85	179.70	173.70	167.00	152.57	136.14	109.66	123.49	165.86	149.48	155.85	155.28		6.6
2016/17	179.59	154.03	188.67	179.09	175.51	156.79	139.71	105.69	128.04	192.09	158.59	163.81	164.11		5.7
2017/18	186.51	156.72	193.13	190.40	183.82	159.46	143.78	96.48	135.07	200.69	165.94	165.53	169.69		3.4
2018/19	183.54	159.49	203.33	197.92	190.06	162.61	161.01	108.40	137.95	209.53	168.42	173.03	175.02		3.1
Monthly															
2015 Jan	148.15	144.81	166.68	165.95	164.42	156.02	130.26	104.98	121.08	151.27	142.76	146.97	145.80	0.8	3.1
Feb	150.65	144.59	165.93	166.44	164.08	156.35	129.58	105.14	120.76	153.94	142.47	146.48	146.53	0.5	3.0
Mar	157.16	144.64	169.44	166.54	164.69	156.54	129.14	106.60	121.43	154.44	142.84	148.37	148.83	1.6	3.4
Apr	162.94	144.00	170.97	166.26	163.58	156.74	129.15	107.46	121.37	154.44	144.32	148.19	150.58	1.2	4.7
May	163.45	144.05	170.89	166.34	163.33	152.76	129.01	107.63	121.34	154.43	144.33	147.31	150.43	-0.1	4.9
Jun	158.28	144.04	172.62	166.72	163.54	152.86	130.58	111.38	121.39	155.92	145.25	150.53	149.86	-0.4	5.0
Jul	159.21	144.90	174.94	169.25	163.92	153.03	132.74	114.93	121.98	155.84	145.68	151.44	151.18	0.9	5.5
Aug	160.08	145.57	176.96	171.61	166.70	153.06	134.13	118.64	122.08	155.88	147.23	152.08	152.46	0.8	5.7
Sep	164.63	146.77	179.85	171.60	167.85	155.49	134.29	120.97	122.92	160.27	148.20	152.60	154.64	1.4	6.7
Oct	168.28	147.39	181.28	176.98	168.11	155.69	135.56	107.48	123.15	161.75	149.01	153.17	156.09	0.9	7.7
Nov	168.29	147.54	182.27	178.76	168.34	157.41	136.04	107.48	124.00	161.78	149.14	152.91	156.57	0.3	8.1
Dec	168.13	148.78	183.77	179.02	170.29	157.41	136.63	107.49	124.06	161.80	149.65	154.41	156.95	0.2	8.5
2016 Jan	165.19	151.08	181.87	175.89	167.44	153.15	137.43	107.53	123.89	162.12	150.10	154.82	155.53	-0.9	6.7
Feb	164.74	152.57	182.26	177.05	166.19	153.44	137.79	107.64	124.27	162.12	149.96	155.56	155.68	0.1	6.3
Mar	166.62	153.53	183.37	175.70	168.62	153.44	138.14	106.37	124.01	174.29	151.26	158.11	157.11	0.9	5.6
Apr	168.56	153.38	182.79	174.98	169.76	153.77	135.29	105.73	123.65	174.29	152.04	159.05	157.27	0.1	4.4
May	166.84	153.38	183.73	174.74	170.82	154.52	137.31	105.78	123.80	174.29	152.69	163.50	157.49	0.1	4.7
Jun	165.30	153.15	185.08	175.91	170.52	154.65	137.62	105.52	124.38	184.02	154.00	161.13	157.77	0.2	5.3
Jul	166.80	153.10	183.93	174.88	171.03	155.02	137.30	105.77	124.49	184.02	153.68	162.28	158.09	0.2	4.6
Aug	168.30	153.76	185.46	175.44	171.70	155.75	138.81	105.69	124.40	184.20	154.81	162.46	159.03	0.6	4.3
Sep	172.25	154.43	185.87	176.61	171.65	156.24	138.98	105.71	125.31	184.06	155.23	162.39	160.44	0.9	3.8
Oct	173.98	154.36	186.82	177.36	172.45	156.78	137.91	106.09	125.77	193.95	157.03	162.79	161.71	0.8	3.6
Nov	176.62	154.02	187.38	176.82	172.68	156.94	139.80	104.86	125.96	193.95	158.13	162.43	162.68	0.6	3.9
Dec	179.86	154.85	189.92	178.01	174.00	157.42	143.55	104.33	127.21	193.95	159.13	163.37	164.65	1.2	4.9
2017 Jan	179.79	154.45	189.38	181.23	176.51	157.38	140.43	105.67	127.01	193.95	158.77	164.01	164.72	0.0	5.9
Feb	182.83	154.42	190.11	181.12	177.79	157.69	141.91	106.24	127.38	194.90	160.50	164.61	166.12	0.9	6.7
Mar	185.91	153.33	191.40	181.94	178.54	157.28	142.36	106.11	128.03	194.90	160.26	164.79	167.22	0.7	6.4
Apr	189.59	153.93	191.17	181.14	179.07	157.18	139.12	106.12	132.07	194.95	160.10	164.80	167.96	0.4	6.8
May	191.47	153.82	191.78	182.21	180.40	157.05	138.47	105.71	134.45	194.95	162.41	165.80	168.91	0.6	7.3
Jun	187.67	153.86	190.78	182.26	180.29	156.75	137.24	106.04	134.36	197.30	163.01	165.98	167.79	-0.7	6.3
Jul	184.87	153.86	192.33	183.68	180.01	156.88	136.88	103.56	134.75	197.30	164.30	164.58	167.06	-0.4	5.7
Aug	186.20	154.18	192.42	184.32	180.63	157.68	137.00	97.54	134.60	198.35	164.25	164.49	167.34	0.2	5.2
Sep	189.35	155.44	188.03	188.63	181.82	158.20	139.14	97.10	134.23	198.35	164.62	165.29	168.97	1.0	5.3
Oct	189.59	156.60	190.22	190.86	182.51	158.73	138.30	97.25	134.60	199.00	165.46	164.91	169.48	0.3	4.8
Nov	188.23	156.75	189.90	189.73	183.44	158.87	137.60	103.07	134.46	199.00	165.64	165.23	169.21	-0.2	4.0
Dec	185.88	157.07	191.75	189.95	183.73	159.51	147.28	103.47	135.08	199.00	166.12	165.65	170.17	0.6	3.4
2018 Jan	184.54	157.40	191.97	191.04	183.29	160.01	145.70	103.44	135.08	199.00	165.79	165.04	169.67	-0.3	3.0
Feb	184.74	157.77	195.22	191.99	184.75	160.73	146.83	90.08	135.28	199.63	166.23	165.50	169.68	0.0	2.1
Mar	185.64	156.71	194.98	191.75	185.44	160.62	149.19	90.02	135.54	204.16	166.29	165.71	170.49	0.5	2.0
Apr	186.60	157.72	195.48	191.87	185.61	160.90	149.27	90.72	135.40	204.16	167.29	165.87	170.96	0.3	1.8
May	188.16	158.65	197.16	192.81	187.08	160.47	149.28	90.78	135.91	204.16	167.85	166.62	171.77	0.5	1.7
Jun	184.28	158.20	198.10	198.13	187.54	160.98	148.89	90.78	135.95	206.19	167.47	167.50	171.48	-0.2	2.1
Jul	179.98	158.48	198.84	200.24	187.65	161.02	153.45	109.20	136.61	206.19	167.43	168.33	172.23	0.4	3.1
Aug	183.10	158.60	199.53	198.53	188.65	161.97	157.77	109.29	136.68	206.94	167.03	168.93	173.70	0.9	3.8
Sep	187.13	158.76	201.56	198.69	189.54	162.19	157.60	109.35	137.27	206.94	167.15	170.57	175.15	0.8	3.7
Oct	185.34	158.90	202.02	197.09	189.16	162.14	157.79	109.34	137.47	207.79	167.57	170.15	174.54	-0.3	3.0
Nov	184.12	159.08	201.11	196.88	189.89	162.52	158.41	109.37	137.47	207.79	167.64	170.47	174.28	-0.1	3.0
Dec	181.16	158.79	202.33	196.22	190.79	162.55	161.72	109.36	137.64	207.79	167.90	170.85	173.96	-0.2	2.2
2019 Jan	181.78	159.30	204.85	197.82	191.20	162.80	159.51	109.12	138.31	207.79	168.74	171.49	174.31	0.2	2.7
Feb	182.11	159.52	204.07	198.09	189.74	162.64	160.68	109.32	138.53	208.21	169.38	174.08	174.75	0.3	3.0
Mar	180.29	160.58	205.71	197.73	191.07	163.19	166.49	109.34	139.18	211.57	169.41	176.11	175.53	0.5	3.0
Apr	184.50	161.10	205.63	197.91	190.99	163.46	166.73	109.29	138.61	211.57	169.39	178.14	176.90	0.8	3.5
May	187.70	159.72	206.55	198.24	190.43	163.12	166.33	103.91	138.69	211.57	169.65	178.36	177.52	0.4	3.3
Jun	185.27	161.06	207.75	197.59	191.64	163.66	165.58	103.91	138.91	220.24	169.75	178.94	177.36	-0.1	3.4
Jul	182.47	160.63	209.50	198.30	191.61	164.38	165.81	98.31	138.88	220.24	170.33	180.37	176.63	-0.4	2.6
Aug	183.29	160.08	208.75	200.98	192.53	165.78	165.14	98.34	139.74	221.56	170.28	181.32	177.33	0.4	2.1
Sep	185.52	161.21	209.54	203.32	194.00	166.35	165.09	98.34	139.71	221.56	171.08	182.43	178.51	0.7	1.9
Oct	185.98	161.39	209.93	205.44	193.77	166.54	164.09	98.34	139.82	222.01	170.99	183.09	178.85	0.2	2.5
Nov	185.78	162.46	210.62	208.52	193.93	166.95	164.82	98.34	139.55	222.01	171.78	183.68	179.43	0.3	3.0
Dec	185.62	162.39	211.09	209.86	194.91	167.48	168.09	98.51	140.01	222.01	171.64	184.31	180.15	0.4	3.6
2020 Jan	187.42	162.48	209.72	210.45	195.18	167.87	164.87	99.49	140.09	222.01	170.99	184.08	180.26	0.1	3.4
Feb	188.50	162.63	211.19	211.27	195.60	168.37	163.04	99.73	140.86	222.77	171.45	183.82	180.64	0.2	3.4
Mar	187.55	162.28	211.84	210.34	196.53	168.42	165.56	99.73	140.94	222.77	172.29	184.53	180.77	0.1	3.0
Apr	193.39	162.59	212.02	210.91	197.37	168.38	165.62	99.73	141.15	222.77	173.21	184.52	182.62	1.0	3.2

Source: Uganda Bureau of Statistics.

Table 8: Composite CPI by major groups, 2015- 2020 (Base: 2009/10=100)

		Food Crops	Energy, Fuel & Utilities (EFU)	Core	All items index	Annual percentage changes Food Crops	Elec, Fuel & Utilities (EFU)	Core	All items index
Weights		**101.6003**	**74.4556**	**823.9441**	**1000.0000**				
Calender year									
2016		173.52	169.46	156.21	158.95	3.0	3.3	5.2	4.8
2017		196.12	182.23	163.14	167.91	13.0	7.5	4.4	5.6
2018		193.14	201.70	167.10	172.33	-1.5	10.7	2.4	2.6
2019		186.92	210.14	173.11	177.27	-3.2	4.2	3.6	2.9
Financial year									
2015/16		168.96	169.60	152.84	155.73	5.5	5.9	6.4	6.2
2016/17		189.83	172.88	160.14	164.11	12.4	1.9	4.8	5.4
2017/18		195.91	192.13	164.43	169.69	3.2	11.1	2.7	3.4
2018/19		187.37	206.21	170.68	175.02	-4.4	7.3	3.8	3.1
Monthly									
2016	Jan	165.32	172.87	152.76	155.53	12.0	7.7	5.9	6.7
	Feb	164.59	173.83	152.95	155.68	6.7	8.6	6.0	6.3
	Mar	167.76	170.68	154.57	157.11	0.2	6.9	6.2	5.6
	Apr	171.71	167.97	154.52	157.27	-4.8	6.3	5.7	4.4
	May	169.08	166.73	155.22	157.49	-5.7	5.4	6.2	4.7
	June	163.00	169.01	156.11	157.77	-2.0	6.3	6.2	5.3
	July	165.61	167.60	156.30	158.09	2.8	1.9	5.1	4.6
	May	169.00	168.62	156.93	159.03	4.9	2.8	4.4	4.3
	Sep	180.19	170.55	157.09	160.44	5.1	4.1	3.5	3.8
	Oct	183.32	168.37	158.43	161.70	1.7	-2.1	4.5	3.6
	Nov	190.37	167.52	158.82	162.67	7.0	-4.2	4.3	3.9
	Dec	192.27	169.81	160.77	164.65	10.3	-3.0	5.0	4.9
2017	Jan	189.21	175.30	160.74	164.72	14.5	1.4	5.2	5.9
	Feb	195.56	175.59	161.63	166.12	18.8	1.0	5.7	6.7
	Mar	202.84	177.22	161.92	167.22	20.9	3.8	4.8	6.4
	Apr	208.81	176.79	162.13	167.96	21.6	5.2	4.9	6.8
	May	208.17	178.49	163.21	168.91	23.1	7.0	5.1	7.3
	Jun	192.56	178.69	163.75	167.79	18.1	5.7	4.9	6.3
	Jul	186.94	180.71	163.38	167.06	12.9	7.8	4.5	5.7
	Aug	188.70	181.78	163.41	167.34	11.7	7.8	4.1	5.2
	Sep	197.41	188.60	163.69	168.97	9.6	10.6	4.2	5.3
	Oct	197.75	192.06	163.95	169.48	7.9	14.1	3.5	4.8
	Nov	194.71	190.50	164.15	169.21	2.3	13.7	3.4	4.0
	Dec	190.83	190.98	165.74	170.17	-0.7	12.5	3.1	3.4
2018	Jan	191.80	192.55	164.87	169.67	1.4	9.8	2.6	3.0
	Feb	194.27	195.23	164.34	169.68	-0.7	11.2	1.7	2.1
	Mar	199.47	195.50	164.66	170.49	-1.7	10.3	1.7	2.0
	Apr	204.33	195.10	164.66	170.95	-2.1	10.4	1.6	1.8
	May	207.67	196.95	165.07	171.77	-0.2	10.3	1.1	1.7
	Jun	197.05	205.60	165.24	171.48	2.3	15.1	0.9	2.2
	Jul	183.15	209.58	167.51	172.23	-2.0	16.0	2.5	3.1
	Aug	186.41	207.43	169.09	173.70	-1.2	14.1	3.5	3.8
	Sep	193.15	207.73	169.99	175.15	-2.2	10.1	3.8	3.7
	Oct	190.99	205.28	169.73	174.54	-3.4	6.9	3.5	3.0
	Nov	188.24	205.23	169.77	174.28	-3.3	7.7	3.4	3.0
	Dec	181.22	204.25	170.33	173.96	-5.0	6.9	2.8	2.2
2019	Jan	181.91	206.34	170.48	174.31	-5.2	7.2	3.4	2.7
	Feb	185.75	206.75	170.50	174.75	-4.4	5.9	3.7	3.0
	Mar	179.76	205.92	172.27	175.53	-9.9	5.3	4.6	3.0
	Apr	191.60	205.55	172.50	176.90	-6.2	5.4	4.8	3.5
	May	196.54	205.92	172.61	177.52	-5.4	4.6	4.6	3.3
	Jun	189.74	204.51	173.38	177.36	-3.7	-0.5	4.9	3.4
	Jul	181.70	205.61	173.38	176.63	-0.8	-1.9	3.5	2.6
	Aug	183.72	209.59	173.63	177.33	-1.4	1.0	2.7	2.1
	Sep	187.39	212.97	174.30	178.51	-3.0	2.5	2.5	1.9
	Oct	189.27	215.84	174.23	178.85	-0.9	5.1	2.6	2.5
	Nov	188.31	220.47	174.62	179.43	0.0	7.4	2.9	3.0
	Dec	187.39	222.24	175.45	180.15	3.4	8.8	3.0	3.6
2020	Jan	186.57	222.25	175.68	180.26	2.6	7.7	3.1	3.4
	Feb	188.12	223.37	175.86	180.64	1.3	8.0	3.1	3.4
	Mar	184.33	221.72	176.63	180.77	2.5	7.7	2.5	3.0
	Apr	187.80	222.61	178.36	182.62	-2.0	8.3	3.4	3.2

Source: Uganda Bureau of Statistics.

Table 9: Producer Price Index for Manufacturing (Combined): 2016 – 2020, (July 2009 to June 2010=100)

		FOOD PRODUCTS	BEVERAGES	WEARING APPAREL	PAPER & PAPER PRODUCTS	CHEMICALS & CHEMICAL PRODUCTS	PHARMACEUTICALS, MEDICINAL CHEM PRODUCTS	RUBBER & PLASTIC PRODUCTS	OTHER NON-METALLIC MINERAL Products	PPI-M (Combined)
	Weight	365.0	77.5	55.2	15.9	72.5	23.7	26.5	137.6	1000.0
Calendar year										
2016		188.1	162.2	205.3	180.2	163.6	176.1	152.6	135.8	174.0
2017		205.8	170.2	204.2	184.6	168.6	178.0	154.3	135.5	184.4
2018		196.0	169.0	208.8	196.0	171.7	193.7	158.9	129.4	181.4
2019		186.2	168.7	216.2	194.5	166.1	193.8	159.3	129.4	176.8
Fiscal Year										
2015/16		263.2	209.4	286.7	210.9	194.1	205.4	183.5	185.1	226.6
2016/17		198.5	163.9	204.7	181.4	167.0	178.0	153.9	136.2	179.7
2017/18		203.9	171.7	205.8	190.9	169.4	183.3	155.4	134.2	184.5
2018/19		188.4	169.8	212.2	197.2	171.2	197.4	160.9	126.8	178.1
Monthly										
2016	Jan	186.5	163.0	205.6	185.2	162.9	177.3	151.8	136.5	174.0
	Feb	183.9	162.8	205.1	182.2	162.7	176.1	151.8	136.3	172.3
	Mar	182.8	162.0	205.1	179.8	161.8	174.9	151.7	135.6	171.4
	Apr	181.9	161.2	205.2	179.5	161.7	174.5	151.9	135.4	171.0
	May	181.1	161.2	205.1	178.0	162.0	174.6	151.9	135.8	170.5
	Jun	184.8	161.4	205.1	178.5	162.8	174.7	151.8	136.0	172.2
	Jul	188.5	161.5	204.7	180.8	162.5	174.3	153.1	134.7	173.5
	Aug	188.3	161.3	204.7	177.8	162.5	176.1	153.2	134.7	173.5
	Sep	190.8	161.4	205.2	177.9	163.1	175.6	153.2	134.8	174.9
	Oct	191.7	162.0	205.4	177.8	164.0	176.8	153.2	135.5	175.5
	Nov	196.7	163.6	205.5	181.3	167.9	179.1	153.6	136.7	178.6
	Dec	200.5	164.5	206.5	183.4	169.4	179.4	153.6	137.1	181.0
2017	Jan	202.1	165.4	206.5	183.9	170.0	179.3	154.3	137.2	181.9
	Feb	204.1	165.2	205.8	181.7	166.7	179.0	154.3	137.0	182.7
	Mar	205.1	165.3	208.4	182.5	167.5	178.5	154.5	137.1	184.0
	Apr	203.7	165.6	203.0	183.5	171.3	180.8	154.5	138.3	183.2
	May	206.5	165.7	200.2	183.7	171.4	181.6	154.5	136.1	184.4
	Jun	204.5	165.6	200.2	182.4	167.6	175.7	154.5	135.5	182.7
	Jul	206.1	174.3	203.4	183.2	167.2	175.3	154.4	135.1	184.8
	Aug	209.1	174.6	204.2	184.6	169.9	175.8	154.4	135.1	186.4
	Sep	208.7	174.6	204.7	185.1	169.7	175.9	154.5	135.2	186.3
	Oct	210.3	175.2	204.7	188.1	167.3	176.7	154.5	133.3	186.9
	Nov	206.9	175.4	204.7	188.1	167.3	176.7	154.5	133.3	185.3
	Dec	203.0	175.1	204.7	188.3	167.7	180.2	153.1	133.2	184.0
2018	Jan	202.2	167.8	204.5	191.9	167.0	182.3	154.8	133.9	183.0
	Feb	200.4	167.8	207.1	192.0	167.6	189.9	155.4	134.9	182.7
	Mar	202.0	167.9	207.6	192.8	170.0	190.3	155.5	135.7	184.2
	Apr	199.7	168.4	207.6	195.3	172.6	190.6	157.6	136.6	183.6
	May	197.7	168.8	207.6	196.1	172.9	191.2	157.6	137.2	182.7
	Jun	200.9	170.4	208.8	205.1	173.9	194.0	158.8	127.0	184.1
	Jul	198.2	168.6	209.5	197.2	172.9	196.9	161.7	126.6	182.6
	Aug	193.8	169.2	210.2	196.2	173.2	196.7	161.7	124.8	180.3
	Sep	194.4	170.4	210.2	196.3	174.0	200.9	161.1	123.9	180.9
	Oct	189.2	170.0	210.7	201.1	173.5	198.4	161.0	124.1	178.6
	Nov	188.1	169.5	210.7	191.3	172.4	197.2	161.1	123.9	177.8
	Dec	185.4	169.2	210.7	197.1	170.7	196.3	160.9	124.3	176.5
2019	Jan	183.4	169.0	210.7	196.7	169.9	196.3	160.9	128.2	175.6
	Feb	185.1	168.6	210.7	195.5	169.6	196.1	160.5	129.0	176.4
	Mar	184.4	169.0	210.7	196.8	169.9	197.2	160.5	129.1	176.2
	Apr	187.8	171.0	217.6	200.6	171.5	198.0	160.2	129.6	178.6
	May	188.1	171.4	217.5	197.9	168.3	197.4	161.0	129.2	178.5
	Jun	182.3	170.9	217.4	200.2	168.0	196.8	159.9	129.0	175.7
	Jul	181.1	168.2	218.9	193.2	166.5	196.3	159.6	129.7	174.8
	Aug	182.3	168.2	218.9	194.6	163.7	196.3	159.5	129.1	175.1
	Sep	186.4	167.1	217.7	189.4	162.6	190.7	159.1	129.0	176.2
	Oct	187.1	167.3	217.7	188.6	161.4	191.5	159.2	129.1	176.4
	Nov	190.2	167.1	218.1	187.8	160.2	184.7	155.7	131.1	177.6
	Dec	196.6	166.5	218.2	193.1	161.9	183.8	155.7	131.0	180.7
2020	Jan	203.1	166.4	221.3	195.1	161.2	181.8	153.6	131.0	183.9
	Feb	205.8	166.3	221.3	192.7	161.2	181.8	153.6	130.9	185.1
	Mar	211.3	166.7	221.3	196.5	166.4	180.6	154.0	131.2	188.2

Source: Uganda Bureau of Statistics

Table 10: Index of Production, Manufacturing (Base 2002=100) –Formal sector 2015-2019

		Food Processing	Beverages & Tobacco	Textiles, Clothing & Foot Wear	Sawmilling , Paper & Printing	Chemicals, Paint, Soap & Foam Products	Bricks & Cement	Metal Products	Miscellaneou s	ALL ITEMS
Weight		**400.2**	**201.4**	**42.5**	**35.3**	**96.6**	**75.2**	**82.8**	**66.1**	**1000.0**
Calendar year										
2015		189.5	289.2	126.3	246.4	267.3	291.3	167.0	200.0	222.9
2016		211.6	282.9	153.4	250.6	292.2	290.0	162.9	214.2	234.7
2017		202.1	307.6	167.0	295.7	346.5	295.3	170.3	202.3	243.5
2018		259.3	332.0	165.6	325.3	346.6	336.4	154.7	230.6	275.9
2019		234.9	360.9	288.0	291.1	403.7	345.5	150.5	239.9	282.5
Fiscal Year										
2015/16		194.3	280.1	143.5	247.7	297.5	282.3	156.5	204.3	225.4
2016/17		221.3	291.2	166.2	267.2	306.0	290.0	168.1	210.0	242.8
2017/18		217.7	317.7	153.8	310.6	361.1	319.2	165.0	213.4	255.2
2018/19		251.6	347.4	187.7	326.4	361.6	342.3	149.5	245.7	279.4
Monthly										
2016	Jan	206.2	274.3	178.2	240.7	297.5	291.6	137.2	203.9	229.3
	Feb	179.7	276.8	186.4	236.7	218.4	254.2	148.3	175.9	208.0
	Mar	182.4	342.7	256.6	257.5	323.6	308.4	175.4	228.0	246.0
	Apr	215.9	245.0	142.1	250.1	355.6	290.5	182.0	193.8	234.7
	May	204.8	241.0	161.9	227.0	334.7	307.1	164.3	198.6	227.5
	Jun	197.5	264.8	182.3	245.6	321.3	283.5	157.9	194.7	227.1
	Jul	202.8	266.2	151.5	222.3	263.5	313.5	178.9	212.2	226.9
	Aug	221.8	269.2	113.9	263.4	285.1	300.8	179.0	219.8	236.6
	Sep	240.0	280.7	89.0	241.6	263.1	292.6	182.8	217.0	241.7
	Oct	209.4	256.6	63.1	239.3	255.8	283.3	138.4	223.2	218.8
	Nov	227.8	290.0	130.3	276.6	282.6	275.9	175.6	281.0	246.0
	Dec	250.5	387.5	185.1	305.8	305.9	278.7	135.4	222.9	273.4
2017	Jan	223.6	317.3	264.4	250.4	338.8	329.7	181.6	190.9	258.6
	Feb	200.5	288.9	239.6	265.8	326.1	283.4	167.5	181.0	236.6
	Mar	248.8	300.2	256.4	276.9	331.2	309.3	190.8	185.7	264.0
	Apr	209.8	295.6	155.6	283.6	310.6	271.8	153.3	174.4	234.8
	May	209.2	262.9	169.4	276.9	355.9	276.6	164.6	200.5	235.7
	Jun	211.0	279.4	176.0	303.5	353.7	265.0	169.0	211.8	241.0
	Jul	179.6	253.3	103.9	297.6	368.3	299.0	172.6	243.3	226.2
	Aug	184.6	313.3	93.6	319.3	367.0	309.1	201.0	222.7	242.2
	Sep	197.9	303.2	64.2	281.7	327.0	285.0	177.3	197.5	233.7
	Oct	181.8	314.8	102.4	354.8	340.8	293.6	173.8	209.9	236.3
	Nov	182.9	317.4	174.5	302.0	388.2	306.2	159.2	210.1	242.8
	Dec	194.9	445.0	203.6	335.6	349.9	314.3	132.7	199.3	269.7
2018	Jan	243.5	333.4	277.9	247.1	424.4	361.8	165.3	214.0	281.1
	Feb	219.1	304.4	215.7	297.1	324.9	328.0	171.1	212.2	252.9
	Mar	261.2	327.1	214.4	305.8	397.6	319.6	179.6	221.8	282.2
	Apr	230.5	280.9	98.0	298.4	376.4	322.1	156.7	206.0	250.7
	May	261.6	314.7	123.4	292.7	355.1	382.1	143.3	215.1	272.7
	Jun	274.7	304.7	173.5	395.5	314.2	309.4	146.9	208.7	272.2
	Jul	251.4	310.6	90.8	288.5	363.7	403.5	154.8	240.4	271.4
	Aug	288.3	324.1	155.0	315.1	318.4	326.3	160.4	251.9	283.6
	Sep	255.7	333.5	144.5	327.8	328.3	338.5	149.8	239.2	272.6
	Oct	254.0	400.3	137.5	375.3	332.2	315.6	153.4	238.5	285.6
	Nov	284.4	308.6	172.6	352.9	307.3	333.6	147.1	273.3	280.7
	Dec	287.2	441.4	184.2	407.1	316.9	296.6	127.8	246.5	305.8
2019	Jan	268.3	354.2	234.6	368.6	445.5	382.3	147.8	251.6	302.3
	Feb	208.7	358.3	236.5	319.5	411.7	353.5	143.3	246.4	271.5
	Mar	250.5	357.7	197.7	344.2	432.5	366.1	171.6	260.9	293.6
	Apr	213.8	361.3	188.0	251.0	347.4	313.1	144.9	254.7	261.1
	May	239.2	321.7	230.8	330.3	369.2	352.2	157.6	233.8	272.6
	Jun	217.1	296.8	280.1	236.9	366.6	326.3	135.8	211.4	252.1
	Jul	238.3	360.2	238.6	201.6	405.4	344.3	163.0	237.3	279.4
	Aug	240.4	369.4	315.5	206.2	382.6	341.5	145.7	244.6	282.2
	Sep	243.4	338.2	333.1	234.3	375.2	328.4	144.1	225.0	275.7
	Oct	218.5	351.4	353.8	256.6	405.1	319.4	159.6	242.9	274.7
	Nov	208.2	379.5	376.5	248.1	413.4	326.5	155.8	241.3	277.8
	Dec	272.8	482.0	470.5	496.0	489.3	393.1	136.3	229.1	347.0
2020	Jan	287.1	447.6	489.4	528.6	455.2	411.0	153.0	296.1	351.6
	Feb	262.0	363.2	526.3	427.0	474.6	409.2	166.0	246.1	322.1
	Mar	257.3	379.9	590.1	404.4	532.6	426.2	148.0	247.5	330.9

Source: *Uganda Bureau of Statsitics*

Table 11: Production, Procurement and Exports of principal agricultural products, 2016 - 2019

		Coffee Procurement tonnes	Coffee Exports tonnes	Coffee Exports 000 US$	Tea Production tonnes	Tea Exports tonnes	Tea Exports 000 US$	Cotton Exports tonnes	Cotton Exports 000 US$	Tobacco Exports tonnes	Tobacco Exports 000 US$
Calendar year											
2016		237,552	212,538	371,400	60,377	56,417	71,488	23,486	31,571	27,089	64,061
2017		300,118	286,442	554,820	50,055	43,587	26,720	31,808	50,776	18,891	52,762
2018		596,826	521,954	871,829	131,905	139,395	166,769	64,710	102,546	57,478	161,228
2019		312,601	271,569	438,544	60,338	69,194	77,957	37,520	58,199	26,343	74,877
Fiscal year											
2014/15		195,971	194,418	403,161	58,639	53,748	73,797	13,315	18,260	26,023	63,995
2015/16		237,383	213,484	351,956	63,432	57,419	74,472	18,786	24,543	28,555	73,180
2016/17		279,773	251,109	489,470	53,908	50,873	48,238	31,010	48,417	21,496	52,292
2017/18		282,456	267,400	492,452	61,897	55,300	58,121	25,819	41,170	20,946	59,999
2018/19		300,882	250,710	413,390	69,125	73,580	88,726	33,335	54,262	33,849	95,784
Monthly											
2016	Jan	22,974	20,084	32,130	5,881	5,487	7,113	1,099	1,447	3,847	9,516
	Feb	21,150	16,316	25,120	2,980	3,643	4,749	1,722	2,116	1,484	3,238
	Mar	16,491	14,868	23,070	5,747	2,979	3,875	3,090	3,850	946	2,807
	Apr	17,047	19,608	31,120	6,273	4,156	5,390	2,382	3,148	932	1,705
	May	17,403	17,157	27,620	5,551	6,299	8,285	3,087	4,108	936	2,230
	Jun	17,700	15,939	26,450	4,138	5,386	6,767	3,440	4,448	840	1,834
	Jul	17,109	16,089	26,980	3,626	5,022	6,319	2,773	3,730	1,182	2,014
	Aug	17,452	17,464	30,090	4,170	3,671	4,638	1,682	2,348	1,103	2,074
	Sep	16,210	12,537	22,860	5,300	3,993	5,147	391	544	4,094	10,181
	Oct	17,186	12,549	24,190	5,915	5,044	6,388	86	116	4,278	9,222
	Nov	25,594	24,462	50,350	5,398	5,759	6,895	1,051	1,590	5,690	14,267
	Dec	31,235	25,467	51,420	5,398	4,978	5,921	2,683	4,126	1,755	4,972
2017	Jan	29,310	24,280	48,870	3,923	4,499	2,300	4,688	7,604	226	884
	Feb	26,703	23,791	48,310	2,165	2,880	2,400	3,968	6,485	316	1,389
	Mar	25,858	24,595	50,340	3,499	2,903	2,080	4,111	6,555	653	1,924
	Apr	19,013	19,534	39,280	5,142	3,515	1,980	3,612	5,904	636	1,636
	May	25,143	24,507	47,190	5,275	4,799	1,980	3,520	5,647	1,273	2,660
	Jun	28,960	25,834	49,590	4,097	3,809	2,190	2,446	3,767	289	1,069
	Jul	26,641	25,632	49,310	3,626	3,201	2,240	1,243	2,129	426	869
	Aug	24,368	25,100	47,060	3,615	2,926	2,330	354	559	1,701	4,721
	Sep	23,089	20,510	38,580	5,253	3,935	2,360	51	79	3,813	10,786
	Oct	22,742	22,898	44,180	5,101	4,231	2,390	577	881	3,776	9,999
	Nov	26,081	26,586	49,390	4,813	4,424	2,250	2,583	3,922	2,621	7,995
	Dec	22,210	23,173	42,720	3,547	2,464	2,220	4,655	7,244	3,160	8,831
2018	Jan	27,484	24,116	43,662	5,610	5,945	8,284	5,226	8,142	774	2,273
	Feb	24,680	23,319	41,387	2,872	3,587	4,772	3,422	5,594	1,344	4,127
	Mar	21,013	20,001	35,737	4,447	3,367	4,390	2,971	4,693	1,881	5,899
	Apr	17,262	17,702	32,699	8,179	6,811	8,869	1,604	2,468	510	1,748
	May	19,842	19,142	34,130	7,508	7,143	9,001	1,429	2,508	436	1,491
	Jun	27,044	19,220	33,596	7,328	7,264	9,016	1,703	2,952	504	1,260
	Jul	25,923	23,581	40,687	5,263	6,512	8,374	374	621	764	2,496
	Aug	23,170	20,937	35,682	4,050	4,702	5,885	2,625	4,248	5,342	15,434
	Sep	19,076	17,592	28,911	5,379	5,374	6,745	1,696	2,883	8,163	23,538
	Oct	22,387	21,313	32,421	6,806	6,466	7,801	1,883	3,269	6,855	16,896
	Nov	30,589	24,596	41,959	7,423	7,064	8,502	1,549	2,293	3,007	7,748
	Dec	25,755	18,866	32,414	6,703	5,965	7,174	2,707	4,677	1,556	3,440
2019	Jan	23,987	23,706	39,236	7,023	7,251	8,549	2,914	4,919	1,496	3,581
	Feb	19,433	19,430	32,651	4,633	6,156	7,130	2,422	3,855	1,822	5,404
	Mar	18,463	20,894	34,133	4,182	5,770	6,990	3,104	4,785	1,019	3,064
	Apr	28,023	18,379	30,113	4,665	4,351	5,204	4,204	6,857	701	2,188
	May	31,966	20,918	33,273	8,073	7,021	8,356	4,896	7,928	1,655	6,066
	Jun	32,111	20,498	31,909	4,924	6,948	8,016	4,960	7,926	1,469	5,929
	Jul	28,418	27,823	45,266	4,966	5,620	5,765	2,849	4,478	1,285	4,569
	Aug	30,011	29,351	46,338	4,367	4,891	4,806	1,594	2,406	1,986	5,003
	Sep	24,783	21,733	34,658	3,504	4,356	4,415	509	760	5,060	13,248
	Oct	22,449	22,694	36,903	4,749	5,333	5,842	1,641	2,012	5,356	14,413
	Nov	31,923	26,329	42,194	5,047	6,096	6,907	4,176	6,090	2,549	6,200
	Dec	21,034	19,815	31,868	4,203	5,400	5,978	4,251	6,182	1,944	5,212

Source: Uganda Coffee Development Authority; Uganda Tea Association; Cotton Development Organisation ; B.A.T Uganda(1

Table 12: Value of non- traditional exports ('000 US$), 2016 - 2019

		Fish & Fish Products	Maize	Beans	Flowers	Cocoa beans	Animal / Veg. Fat or Oil	Cattle Hides	Electric Current	Gold & Gold Cpds	Iron & Steel	Petroleum Products	Sugar &Confectionery	Cement	Other	Total
Calendar year																
2016		121,467	70,301	50,519	24,571	74,996	62,090	51,375	21,274	339,529	70,840	114,096	100,251	60,897	781,315	1,943,520
2017		136,201	96,161	88,205	27,443	54,219	70,014	53,223	56,101	418,061	65,954	122,096	91,556	41,578	841,949	2,162,760
2018		169,905	106,839	103,823	60,793	64,695	79,224	46,297	36,401	515,564	85,331	122,326	108,123	56,286	615,470	2,171,077
2019		174,163	71,044	37,329	54,284	77,548	72,420	21,303	44,568	1,257,818	65,819	127,085	82,132	56,990	544,809	1,963,315
Fiscal year																
2015/16		114,772	81,660	65,365	21,351	71,591	68,449	56,132	17,086	204,219	71,148	117,486	60,941	68,410	744,483	1,763,091
2016/17		131,601	79,155	59,413	26,241	58,905	69,624	50,778	45,105	433,629	73,914	117,300	126,451	50,177	799,861	2,122,155
2017/18		144,829	124,641	128,866	47,316	58,941	73,424	54,687	43,423	343,511	74,554	122,447	84,749	45,307	774,107	2,120,803
2018/19		184,030	54,871	42,647	58,087	73,546	73,956	31,933	45,744	1,069,756	78,127	124,690	95,592	61,550	568,948	2,124,419
Monthly																
2016	Jan	13,766	4,003	5,628	1,542	8,808	6,057	5,765	1,549	27,259	3,299	10,320	3,449	4,395	52,625	148,466
	Feb	9,423	10,616	7,533	2,486	8,021	3,805	4,047	1,328	26,131	3,663	8,130	2,181	4,511	61,144	153,017
	Mar	9,417	4,589	3,850	1,463	12,825	7,153	5,480	1,476	33,436	3,869	10,318	4,121	5,946	66,243	170,187
	Apr	10,028	3,235	2,925	1,401	9,728	4,145	3,885	1,247	25,904	5,095	9,169	6,125	4,712	79,579	167,177
	May	8,899	6,939	2,577	2,891	4,080	4,369	4,016	1,425	25,777	5,552	8,686	9,158	5,771	63,097	153,238
	Jun	8,590	7,042	6,461	2,103	3,026	5,423	3,763	1,611	30,094	6,196	8,064	9,078	6,938	62,806	161,192
	Jul	8,671	5,835	2,795	2,132	3,282	4,312	4,073	1,700	25,337	7,302	10,158	5,145	5,184	64,419	150,344
	Aug	8,273	6,187	2,580	2,240	2,288	5,026	3,437	1,833	37,613	7,459	9,653	8,601	5,151	54,086	154,428
	Sep	8,664	4,863	1,969	2,007	1,881	4,712	4,514	1,832	29,002	8,449	9,893	11,547	4,653	63,284	157,271
	Oct	9,867	7,274	2,419	2,680	3,924	6,254	3,984	1,761	27,706	9,602	9,415	12,756	4,511	66,974	169,129
	Nov	12,737	5,120	6,543	1,935	6,234	4,970	4,690	2,412	27,992	5,616	9,312	13,699	4,559	74,192	180,011
	Dec	13,131	4,599	5,239	1,690	10,900	5,865	3,721	3,099	23,278	4,738	10,977	14,391	4,567	72,865	179,060
2017	Jan	11,897	5,757	1,893	1,868	6,867	4,812	3,759	5,362	29,067	3,120	9,446	7,410	2,695	55,904	149,858
	Feb	9,669	7,879	5,140	2,638	6,821	5,157	4,632	7,806	21,562	3,838	8,600	5,626	3,290	54,080	146,739
	Mar	12,544	7,342	3,199	2,342	5,012	6,106	3,363	5,490	24,364	6,254	9,178	10,269	3,817	61,469	160,749
	Apr	11,426	4,301	1,611	1,686	3,722	6,581	5,070	4,223	34,104	4,544	9,866	5,382	4,400	60,303	157,220
	May	12,278	11,595	16,576	2,982	4,051	9,033	5,374	4,338	33,592	6,683	9,920	24,696	4,329	100,733	246,177
	Jun	12,443	8,403	9,448	2,041	3,924	6,795	4,160	5,248	120,012	6,310	10,881	6,928	3,021	71,554	271,168
	Jul	11,585	12,523	9,477	1,846	5,686	3,933	3,961	5,716	25,484	6,568	10,867	5,998	3,340	62,950	169,935
	Aug	10,645	10,060	8,174	2,736	2,534	4,732	3,504	3,471	26,758	6,912	10,587	4,622	3,191	62,783	160,709
	Sep	9,537	5,041	6,332	2,461	2,267	6,636	5,231	3,659	25,245	6,602	9,514	6,239	3,774	65,377	157,913
	Oct	11,802	7,024	4,465	2,677	4,310	4,786	4,602	3,679	41,640	4,589	10,512	5,104	3,047	65,091	173,329
	Nov	11,357	7,518	10,537	2,255	4,048	5,466	5,068	3,497	13,451	5,712	10,343	5,007	3,451	92,363	180,073
	Dec	11,017	8,718	11,352	1,911	4,976	5,976	4,499	3,612	22,784	4,824	12,382	4,274	3,223	89,343	188,890
2018	Jan	12,371	19,589	23,318	4,029	6,707	6,875	5,611	4,929	39,691	4,329	9,802	5,523	2,754	62,234	207,762
	Feb	9,613	12,855	15,813	5,551	7,762	6,571	4,456	4,854	19,439	6,678	9,592	4,895	3,950	60,951	172,980
	Mar	12,590	11,338	9,144	6,658	7,040	6,671	6,750	2,984	25,059	7,859	10,136	7,953	5,024	58,585	177,791
	Apr	12,629	2,980	869	4,913	6,355	6,173	4,302	2,204	35,902	5,903	10,056	9,483	4,424	43,760	149,953
	May	15,692	15,510	15,453	6,059	4,363	7,278	3,508	2,328	39,549	8,767	9,219	13,335	5,569	58,095	204,724
	Jun	15,991	11,486	13,932	6,219	2,892	8,329	3,195	2,492	28,511	5,812	9,437	12,315	3,559	52,575	176,745
	Jul	14,673	9,861	9,860	6,460	3,238	6,270	2,870	2,540	30,462	7,943	11,480	12,272	4,571	51,049	173,551
	Aug	14,402	7,934	4,744	3,580	2,329	6,479	3,522	3,577	41,120	10,910	10,554	15,464	3,333	45,707	173,657
	Sep	14,038	3,906	1,412	4,521	4,117	6,239	3,507	2,507	56,237	9,541	9,928	12,046	5,591	42,290	175,880
	Oct	15,406	4,680	1,829	4,982	5,976	4,922	3,343	2,602	78,788	6,629	10,403	2,895	6,100	56,566	205,123
	Nov	15,519	2,883	2,170	4,142	6,442	6,740	3,050	2,626	59,494	7,057	10,906	7,198	5,326	40,354	173,906
	Dec	16,981	3,817	5,278	3,679	7,475	6,678	2,183	2,758	61,312	3,904	10,813	4,744	6,084	43,303	179,007
2019	Jan	17,448	5,044	2,613	4,671	8,796	7,084	3,325	4,009	60,195	5,580	10,875	4,948	6,303	37,757	178,648
	Feb	16,178	3,493	3,676	5,309	8,177	5,585	1,914	3,739	69,683	5,084	9,252	5,378	5,729	37,301	180,500
	Mar	18,691	2,219	4,244	4,679	8,353	5,998	2,432	4,457	363,429	4,981	10,307	5,609	4,646	48,781	488,826
	Apr	11,313	4,541	3,383	5,024	6,514	6,167	2,253	6,663	89,314	5,285	9,715	6,889	4,972	45,262	207,294
	May	16,562	2,550	620	4,953	8,205	6,399	2,071	6,179	78,699	6,361	10,344	13,406	4,445	75,344	236,138
	Jun	12,820	3,942	2,817	6,088	3,924	5,394	1,463	4,086	81,023	4,853	10,113	4,743	4,450	45,233	190,949
	Jul	12,064	5,330	3,157	4,923	5,148	5,473	1,342	2,910	97,291	6,647	11,301	6,155	4,314	35,002	201,058
	Aug	14,255	10,981	2,576	4,580	2,476	5,326	1,604	3,884	82,941	6,292	10,955	7,026	4,153	43,569	200,617
	Sep	11,554	10,392	1,680	3,540	2,759	5,291	1,055	2,124	77,635	7,546	10,296	7,307	4,579	39,057	184,816
	Oct	15,102	8,756	1,031	3,385	5,495	6,094	1,068	2,259	73,775	5,130	11,076	9,963	4,574	46,975	194,685
	Nov	15,242	8,591	5,477	3,388	8,604	8,041	1,403	2,309	84,796	3,167	11,079	6,512	4,200	45,378	208,187
	Dec	12,935	5,205	6,056	3,744	9,097	5,567	1,372	1,949	99,036	4,893	11,773	4,194	4,625	45,148	215,595
2020	Jan	13,778	15,071	4,189	4,361	13,841	8,078	1,050	1,594	104,554	6,422	11,159	6,453	5,054	52,816	248,421
	Feb	11,014	10,940	1,905	5,322	10,400	5,951	1,043	1,520	89,286	5,975	11,003	10,090	5,416	46,719	216,584
	Mar	11,321	5,546	2,171	3,203	14,341	7,084	800	1,555	60,984	5,893	7,933	8,339	5,302	47,159	181,631

Note: Export values for 2020 are provisional.

Source: Uganda Bureau of Statistics

Table 13: Volume of non- traditional exports, 2015 - 2019

		Fish & Fish Pdts. (Tonnes)	Maize (Tonnes)	Beans (Tonnes)	Flowers (Tonnes)	Cocoa beans (Tonnes)	Animal/ Veg Fat or oil (Tonnes)	Cattle Hides (Tonnes)	Electric Current ('000kws)	Gold & Gold cpds (Kgs)	Iron & Steel (Tonnes)	Petroleum Products (000 Litres)	Sugar & confectionery (Tonnes)	Cement (Tonnes)
Calendar year														
2015		18,052	358,592	157,770	4,184	25,915	79,784	30,157	121,370	1,088	96,201	118,270	124,619	434,578
2016		19,112	268,465	128,147	4,329	29,761	66,492	24,021	165,004	8,612	91,851	108,296	157,500	356,544
2017		18,691	374,321	289,879	4,653	27,519	66,701	26,303	316,366	11,297	80,038	115,469	127,629	296,467
2018		23,846	492,619	256,960	5,857	30,752	75,448	23,791	233,120	12,700	84,833	115,467	164,080	393,075
2019		29,495	230,902	68,005	5,015	34,176	65,188	12,687	298,952	28,984	70,171	119,750	148,573	402,328
Fiscal year														
2014/15		22,943	615,603	261,818	9,266	63,022	162,751	69,416	309,339	5,384	183,559	241,220	251,805	876,790
2015/16		18,976	343,357	161,731	3,883	30,689	75,732	26,286	136,787	5,330	84,567	111,516	120,299	389,972
2016/17		19,765	291,832	164,458	4,631	26,661	67,594	24,681	264,481	11,005	95,686	110,929	174,938	315,553
2017/18		18,804	538,424	382,572	5,312	29,632	70,796	26,770	264,878	9,082	80,461	115,579	128,202	322,640
2018/19		29,171	229,072	88,539	5,401	33,427	68,317	18,021	268,279	26,181	79,688	117,810	155,291	436,117
Monthly														
2015	Jan	1,422	9,540	3,388	249	2,491	5,450	2,664	10,240	50	7,857	10,292	8,049	33,361
	Feb	1,374	10,608	1,894	445	2,223	6,933	2,716	9,322	0	9,622	8,803	9,999	37,558
	Mar	1,380	24,340	12,923	357	2,869	7,627	3,571	10,561	0	9,016	10,174	13,150	41,929
	Apr	1,365	22,143	9,441	342	1,919	6,517	2,958	8,948	0	8,196	9,513	9,962	38,689
	May	1,499	57,223	11,207	583	2,191	6,424	2,354	9,296	0	6,137	9,771	10,149	40,141
	Jun	1,531	36,938	29,118	358	1,498	6,066	2,245	10,094	0	6,462	10,365	17,873	42,493
	Jul	1,658	19,662	13,223	258	2,139	5,953	1,752	10,863	0	7,554	9,448	15,315	39,806
	Aug	1,340	51,202	23,213	319	1,847	6,013	2,600	10,542	0	8,193	11,046	5,765	32,200
	Sep	1,605	35,877	12,144	325	2,759	6,349	2,182	10,047	63	10,976	10,262	9,229	28,361
	Oct	1,515	35,568	11,787	346	1,367	7,880	2,148	9,273	21	9,752	9,448	8,059	27,481
	Nov	1,756	29,754	14,545	359	1,972	8,034	2,222	10,668	209	6,258	8,887	8,955	32,048
	Dec	1,605	25,737	14,887	244	2,640	6,537	2,744	11,515	746	6,180	10,262	8,112	40,510
2016	Jan	2,135	17,632	8,233	301	3,046	7,380	2,701	12,406	773	4,611	9,723	7,692	25,286
	Feb	1,290	45,782	19,576	386	3,662	4,312	1,821	11,410	680	5,179	7,671	5,090	26,186
	Mar	1,618	17,612	7,988	291	4,419	8,002	2,427	12,731	835	5,366	10,382	9,057	34,980
	Apr	1,396	12,048	6,931	259	3,714	4,422	1,843	10,840	644	5,122	8,643	12,273	27,808
	May	1,516	23,639	7,540	441	1,684	5,087	1,973	12,604	633	7,371	8,171	16,597	34,282
	Jun	1,541	28,844	21,664	355	1,441	5,762	1,873	13,888	727	8,007	7,573	14,156	41,023
	Jul	1,400	21,827	8,369	378	1,475	4,516	1,595	13,926	862	9,131	9,592	8,035	31,154
	Aug	1,359	24,071	6,720	394	806	5,111	1,592	14,461	844	9,260	9,104	12,786	29,945
	Sep	1,432	19,881	6,065	358	636	4,758	2,084	14,073	656	10,969	9,363	16,751	26,877
	Oct	1,533	24,470	11,220	424	1,743	5,960	1,890	13,899	677	13,337	8,876	18,265	26,075
	Nov	1,848	17,177	14,654	393	2,598	5,416	2,278	16,105	697	7,301	8,827	18,081	26,208
	Dec	2,043	15,482	9,188	349	4,536	5,766	1,945	18,661	585	6,198	10,371	18,719	26,720
2017	Jan	1,807	16,626	3,027	339	3,219	4,792	1,897	28,413	732	4,359	8,952	10,356	17,723
	Feb	1,485	25,603	5,767	411	2,889	5,255	2,573	37,977	831	5,225	8,179	7,929	23,658
	Mar	1,797	23,343	3,523	420	2,605	5,578	1,853	29,492	614	7,584	8,701	14,175	26,270
	Apr	1,696	13,245	2,057	334	1,881	5,938	2,407	23,530	837	5,645	9,308	7,590	28,204
	May	1,661	53,966	58,250	467	2,172	8,611	2,755	24,487	839	8,790	9,375	32,172	29,353
	Jun	1,705	36,142	35,618	364	2,099	5,894	1,812	29,456	2,831	7,887	10,282	10,079	23,366
	Jul	1,451	53,315	31,734	344	3,108	4,604	1,847	32,820	794	8,488	10,275	8,753	20,211
	Aug	1,410	35,499	26,417	463	1,383	4,714	1,724	21,716	650	7,842	10,005	6,600	23,644
	Sep	1,235	19,269	23,267	415	1,236	6,151	2,400	22,556	597	7,587	8,993	8,964	26,121
	Oct	1,424	23,527	16,381	414	2,364	4,549	2,353	22,304	1,011	5,101	9,917	7,397	23,626
	Nov	1,506	31,048	40,359	348	2,064	4,915	2,457	21,495	326	6,112	9,781	7,260	27,668
	Dec	1,515	42,738	43,480	335	2,497	5,699	2,225	22,118	1,235	5,418	11,703	6,353	26,624
2018	Jan	1,487	91,318	58,750	424	3,232	6,719	3,053	28,198	935	4,439	9,262	8,119	22,855
	Feb	1,299	56,488	36,749	591	3,917	5,993	2,371	26,728	453	7,193	9,048	7,473	27,334
	Mar	1,688	47,800	20,965	774	3,494	6,305	2,669	18,974	593	7,028	9,576	12,217	33,775
	Apr	1,649	8,917	1,236	349	2,890	5,806	2,209	15,123	850	5,772	9,390	14,496	28,001
	May	2,169	72,994	47,203	452	2,002	6,881	1,848	15,448	944	9,519	8,713	20,916	36,513
	Jun	1,971	55,509	36,032	403	1,445	8,457	1,614	17,397	694	5,963	8,918	19,654	26,269
	Jul	1,959	46,418	26,231	687	1,344	6,412	1,369	17,288	744	7,758	10,858	18,603	32,262
	Aug	2,104	43,365	10,694	406	1,063	6,534	1,999	22,181	1,070	10,498	9,956	21,513	28,902
	Sep	2,168	21,657	2,622	540	2,009	6,083	2,231	17,473	1,463	9,021	9,380	15,814	31,647
	Oct	2,296	20,243	4,259	587	2,746	4,333	2,023	18,682	1,907	6,338	9,840	3,951	42,143
	Nov	2,570	12,887	4,302	260	3,040	5,973	1,395	17,810	1,516	6,918	10,289	12,323	38,919
	Dec	2,486	15,022	7,916	384	3,573	5,950	1,011	17,818	1,530	4,387	10,238	9,000	44,454
2019	Jan	2,781	18,817	5,309	457	4,029	6,941	1,833	22,944	1,457	5,666	10,269	9,064	49,260
	Feb	2,499	12,698	5,888	606	3,792	5,069	1,471	20,879	1,714	5,432	8,735	10,007	43,866
	Mar	2,811	6,717	7,872	143	3,741	5,192	1,492	24,476	8,692	5,466	9,730	9,909	30,969
	Apr	2,063	14,508	4,397	565	2,853	5,523	1,226	34,027	2,198	5,748	9,174	12,410	35,287
	May	2,811	5,525	1,364	599	3,508	5,478	1,311	31,426	1,911	6,888	9,793	23,630	28,574
	Jun	2,622	11,215	7,685	167	1,731	4,828	662	23,275	1,977	5,569	9,548	9,066	29,833
	Jul	2,529	13,789	7,566	130	2,176	4,785	792	24,684	2,146	6,764	10,661	11,340	30,548
	Aug	2,630	35,515	4,895	534	1,080	4,561	837	31,671	1,755	6,276	10,109	12,747	28,765
	Sep	2,327	38,859	4,692	455	1,845	4,877	598	19,259	1,530	7,701	9,727	13,196	31,292
	Oct	2,550	35,894	1,935	475	2,252	5,451	733	19,736	1,540	5,938	10,439	17,809	32,123
	Nov	2,066	24,490	7,641	424	3,444	6,969	830	24,996	1,809	3,562	10,456	11,666	29,487
	Dec	1,805	12,875	8,761	461	3,724	5,513	905	21,578	2,253	5,163	11,110	7,729	32,324
2020	Jan	2,064	42,486	7,242	500	5,609	8,180	974	17,636	2,097	7,553	10,549	11,456	36,104
	Feb	1,641	32,995	4,304	621	4,093	5,783	892	16,779	1,965	6,633	10,375	17,591	40,544
	Mar	1,232	21,970	3,334	373	5,922	6,300	772	17,065	1,202	6,870	7,469	14,995	38,623

Note: Export quantities for 2020 are provisional.

Source: Uganda Bureau of Statistics

Table 14: Balance of payments (million US$), 2015/16 - 2019/20

	2015/16	2016/17	2017/18	2018/19	2019/20 Q1	2019/20 Q2
Current account	-1356.81	-1021.07	-1822.41	-2753.31	-526.74	-380.86
Credit	6275.96	6640.85	7208.94	8029.75	1973.96	2153.90
Debit	7632.77	7661.92	9031.35	10783.06	2500.71	2534.76
Goods and services	-2259.18	-1757.86	-2470.81	-3586.03	-833.37	-794.88
Goods	-2004.06	-1493.88	-2082.52	-2865.85	-649.69	-645.85
Services	-255.11	-263.97	-388.28	-720.18	-183.68	-149.03
Credit	1984.71	1692.55	1853.63	2065.98	499.13	496.21
Debit	2239.83	1956.53	2241.91	2786.16	682.80	645.23
Primary income	-512.08	-723.71	-926.44	-915.94	-167.47	-137.45
Secondary income	1414.45	1460.50	1574.84	1748.66	474.09	551.46
Capital account	119.81	150.53	105.38	99.73	11.84	32.57
Net lending (+) / net borrowing (-) (balance from current and capital account)	-1236.99	-870.54	-1717.03	-2653.58	-514.90	-348.29
Financial account						
Net lending (+) / net borrowing (-) (balance from financial account)	-1243.33	-1133.20	-1123.73	-2429.52	-266.61	-172.12
Direct investment	-681.39	-713.90	-928.71	-1217.11	-288.04	-288.04
Net acquisition of financial assets	0.29	0.30	0.32	0.34	0.09	0.09
Net incurrence of liabilities	681.68	714.20	929.03	1217.44	288.13	288.13
Equity and investment fund shares	473.82	552.06	708.94	873.32	218.41	218.41
Equity other than reinvestment of earnings	396.03	322.61	397.02	593.26	188.18	188.18
Debt instruments	207.85	162.15	220.09	344.13	69.72	69.72
Portfolio investment	146.17	176.60	330.13	167.87	72.17	115.75
Net acquisition of financial assets	126.38	120.36	253.69	164.52	125.83	98.44
Net incurrence of liabilities	-19.79	-56.24	-76.44	-3.35	53.66	-17.30
Other investment	-705.40	-594.95	-525.39	-1375.35	-49.78	0.55
Other equity	0.93	-2.33	-3.08	-2.83	-0.75	-0.75
Currency and deposits	109.53	237.83	443.25	-94.31	1.14	107.89
Net acquisition of financial assets	118.56	186.17	458.29	-23.66	-14.90	90.91
Net incurrence of liabilities	9.03	-51.66	15.04	70.65	-16.04	-16.99
Loans	-807.01	-824.13	-964.18	-1274.42	-103.19	-105.93
Net acquisition of financial assets	-22.25	22.36	95.08	-41.86	6.90	3.80
Net incurrence of liabilities	784.76	846.49	1059.26	1232.55	110.10	109.73
Trade credit and advances	-8.85	-6.31	-1.38	-3.80	53.02	-0.66
Net acquisition of financial assets	0.00	0.00	0.00	0.00	53.68	0.00
Net incurrence of liabilities	8.85	6.31	1.38	3.80	0.66	0.66
Net errors and omissions	95.12	158.59	432.63	292.80	221.72	223.74
Overall Balance	-101.45	-421.25	160.68	-68.74	26.57	-47.56

Estimates based on BPM6

Source: Bank of Uganda

Table 15: Selected macro-economic indicators, 2015/16 - 2019/20 (Ratio as a Percentage)

Description	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19	Budget* 2019/20	Budget** 2019/20	Proj. Outturn 2019/20
Revenue & Grants / GDP	12.7	12.9	12.7	13.6	18.5	16.0	13.4
Domestic Revenue incl Oil / GDP	11.6	12.0	12.1	12.7	17.0	14.7	12.7
Domestic Revenue / GDP	11.4	11.9	12.1	12.7	16.8	14.6	12.7
Tax revenue incl Oil / GDP	11.1	11.5	11.7	12.3	15.5	13.4	11.6
Tax revenue / GDP	11.0	11.4	11.7	12.3	15.3	13.3	11.6
Total Expenditure (excl domestic arrears repayments) / GDP	16.7	16.0	16.6	18.2	26.8	23.2	20.5
Total Expenditure (incl domestic arrears repayments) / GDP	16.8	16.1	16.8	18.5	27.2	23.6	20.8
Gross Operating Balance / GDP	1.2	1.8	1.1	0.9	2.8	2.4	-0.2
Domestic Balance / GDP	-2.6	-1.5	-1.8	-2.3	-2.5	-2.2	-4.8
Primary Balance / GDP	-2.4	-1.1	-2.2	-3.0	-6.1	-5.3	-4.8
Budget Deficit (excl Grants) / GDP	-5.3	-4.2	-4.7	-5.8	-10.2	-8.9	-8.1
Budget Deficit (incl Grants) / GDP	-4.1	-3.3	-4.1	-4.9	-8.7	-7.5	-7.5
Domestic Financing (net) / GDP (-borrowing/+ saving)	-1.9	-0.6	-1.1	-1.9	-2.5	-2.2	-2.6
o/w Bank Financing (-borrowing/+ saving)	-0.9	0.3	-0.2	-1.0	-1.5	-1.3	-1.7
o/w Non-Bank Financing (-borrowing/+ saving)	-1.0	-0.8	-0.9	-0.9	-1.1	-0.9	-0.9
Foreign Disbursements (grants and loans) / Total Budget (incl domestic arrears)	23.7	22.6	25.1	25.1	30.5	35.1	28.9
Foreign Disbursements (grants and loans) / GDP	4.0	3.6	4.2	4.6	8.3	7.2	6.0
External Borrowing (net) (disbursements less armotization) / GDP	-2.5	-2.4	-2.9	-2.8	-6.1	-5.3	-4.9
External Borrowing Disbursements / GDP	-2.8	-2.8	-3.6	-3.7	-6.7	-5.8	-5.4
Ratio of external borrowing disbursements to budget deficit (incl grants and Oil)	69.0	84.3	87.5	75.9	77.7	79.4	72.1
Ratio of external borrowing disbursements to budget deficit (excl grants and Oil)	53.8	66.4	75.6	63.9	65.9	73.2	66.5
Total public debt / GDP	28.8	31.2	34.7	35.4	46.1	40.9	41.6
o/w Domestic debt / GDP	10.9	10.7	11.2	11.8	14.8	13.1	28.0
o/w External debt / GDP	17.9	20.5	23.6	23.5	31.4	27.8	13.6
Memorandum Items							
GDP at Current Market Prices (Ush.s Billion)	*99,540*	*108,051*	*119,964*	*131,008*	*121,771*	*140,512*	*138,283*

Note: 1.Total Budget is equal to total expenditures (including domestic arrears) minus net lending.

2. *Numbers are based on GDP at current Market prices before rebasing.

3. **Numbers are based on GDP at current Market prices after rebasing.

Source: *Ministry of Finance Planning and Economic Development*

Table 16: Overall Fiscal Operations, 2014/15 -2019/20 (GFSM 1986), billion shillings

	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19
Revenues and Grants	**11,044.8**	**12,647.2**	**13,896.5**	**15,281.1**	**17,839.3**
Revenues	**10,114.0**	**11,500.0**	**12,946.8**	**14,506.9**	**16,637.8**
URA	9,772.9	11,059.1	12,463.4	14,076.1	16,163.0
Non-URA	221.5	319.4	353.6	430.9	474.8
Oil Revenues	119.6	121.4	129.8	-	-
Grants	**930.8**	**1,147.2**	**949.7**	**774.2**	**1,201.6**
Budget Support	258.2	339.7	259.3	154.5	594.9
Project Support	672.7	807.5	690.5	619.7	606.7
Expenditure and net Lending	**14,378.7**	**16,726.9**	**17,437.5**	**20,201.6**	**24,267.6**
Current Expenditures	**7,689.3**	**9,168.6**	**9,994.3**	**10,934.2**	**12,373.6**
Wages and Salaries	2,759.5	2,966.4	3,382.0	3,481.4	4,213.3
Interest Payments	1,213.0	1,681.8	2,360.2	2,260.5	2,525.3
Domestic	1,076.8	1,469.7	1,954.0	1,936.4	2,005.7
External	136.1	212.1	406.2	324.1	519.5
Other Recurr. Expenditures[1]	3,716.8	4,520.5	4,252.1	5,192.3	5,635.0
Development Expenditures	**5,229.5**	**5,906.8**	**6,718.1**	**7,566.1**	**10,047.1**
Domestic Development[2]	3,296.5	3,522.8	4,241.0	4,297.9	5,898.6
External Development	1,933.0	2,384.0	2,477.1	3,268.2	4,148.5
Net Lending/Repayments	**1,235.2**	**1,532.5**	**541.0**	**1,396.5**	**1,428.1**
Domestic Arrears Repaym.	**224.7**	**118.9**	**184.0**	**304.9**	**418.8**
Domestic Balance	**-2,195.5**	**-2,630.8**	**-1,607.3**	**-2102.4**	**(2,961.7)**
Primary Balance	**-2,120.9**	**-2,397.9**	**-1,180.7**	**-2660.0**	**(3,902.9)**
Overall Fiscal Bal. (excl. Grants)	**-4,264.7**	**-5,226.9**	**-4,490.7**	**-5,694.7**	**(7,629.8)**
Overall Fiscal Bal. (incl. Grants)	**-3,333.9**	**-4,079.7**	**-3,540.9**	**-4,920.5**	**(6,428.2)**
Financing:	**3,333.9**	**4,079.7**	**3,540.9**	**4,920.5**	**6,428.2**
External Financing (Net)	**919.0**	**2,494.0**	**2,608.6**	**3,493.2**	**3,680.3**
Deposits	-	-	-	-	-
Disbursements	1,177.1	2,813.5	2,983.4	4,306.3	4,878.4
Budget Support Loans	-	-	572.9	141.1	188.3
Project Loans	1,177.1	2,813.5	2,410.5	4,165.2	4,690.1
Armotization	-258.16	-319.51	-374.81	-813.10	(1,198.1)
Domestic Financing (Net)	**2,483.4**	**1,898.8**	**603.1**	**1,359.6**	**2,464.5**
Bank Financing (Net)	1,288.1	923.0	(297.4)	260.3	1,256.3
Non-bank Financing (Net)	1,195.2	975.8	900.5	1,099.2	1,208.2
Errors and Omissions	**-68.5**	**-313.1**	**329.2**	**67.8**	**283.4**

Note: [1] *Includes exceptional spending reclassified from the development budget of the security sector.*

[2] *Excludes exceptional spending reclassified as current spending.*

Salaries, Other recurr and domestic development include transfers to other levels of government including Local Governments and extra-budgetary institutions.

Source: *Ministry of Finance Planning and Economic Development*

Table 17: Budgetary Central Government financial Operations (GFSM 2001 framework)

Description	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19
Revenue	**11,164.4**	**12,768.6**	**14,026.3**	**15,281.1**	**17,839.3**
Taxes	9,892.5	11,180.6	12,593.2	14,076.1	16,163.0
Grants	930.8	1,147.2	949.7	774.2	1,201.6
Budget Support	258.2	339.7	259.3	154.5	594.9
Project Support	672.7	807.5	690.5	619.7	606.7
Oil Revenues	119.6	121.4	129.8	0.0	0.0
Other revenue	221.5	319.4	353.6	430.9	474.8
Expenses	**9,698.4**	**11,567.4**	**12,133.3**	**14,003.7**	**16,645.7**
Compensation of employees	1,762.9	1,970.2	2,150.9	2,412.3	2,788.2
Wages and salaries[1]	1,176.8	1,263.9	1,385.9	1,379.1	1,721.9
Allowances[1]	459.5	537.4	562.6	625.3	630.6
Other employee costs[1]	126.6	168.9	202.4	407.9	435.6
Use of goods and services[1]	2,505.5	3,396.7	2,560.2	3,575.9	4,667.2
Interest payments	1,213.0	1,681.8	2,360.2	2,260.5	2,525.3
Domestic	1,076.8	1,469.7	1,954.0	1,936.4	2,005.7
External	136.1	212.1	406.2	324.1	519.5
Subisidies	68.0	55.7	96.0	0.0	0.0
Grants	3,666.6	4,084.9	4,334.9	5,277.3	6,157.1
Local governments	2,146.3	2,339.2	2,562.3	2,587.1	3,189.8
Wage bill	1,405.1	1,458.3	1,693.7	1,668.5	2,064.6
Reccurent	465.3	619.4	576.3	628.7	677.8
Development	275.9	261.5	292.3	289.9	447.4
Transfers to International organizations	40.4	74.2	44.8	76.3	71.8
Transfers to Missions abroad	102.4	163.9	148.7	150.7	170.0
Transfers to Tertiary Institutions	178.1	251.3	277.8	350.6	416.8
Transfers to District Refferal hospitals	65.8	82.3	80.8	158.0	184.7
Transfers to other agencies (incl URA)	1,133.6	1,173.8	1,220.5	1,954.6	2,124.0
Social benefits (pensions)	244.2	157.7	173.6	1.3	1.0
Other expenses[1]	238.2	220.4	457.5	476.5	506.8
Gross operating balance	**1,466.0**	**1,201.3**	**1,893.0**	**1,277.4**	**1,193.6**
Investment in Non-Financial Assets	3,220.3	3,508.1	4,579.1	4,496.6	5,774.7
Domestic development budget	1,914.4	2,204.9	2,366.5	2,521.7	3,304.7
Donor projects	1,305.9	1,303.2	2,212.6	1,974.8	2,470.0
Total Outlays	**12,918.8**	**15,075.5**	**16,712.4**	**18,500.3**	**22,420.4**
Net borrowing	**-1,754.3**	**-2,306.8**	**-2,686.1**	**-3,219.2**	**-4,581.0**
less Payables (domestic arrears repayments)	224.7	118.9	184.0	304.9	418.8
Net lending for policy purposes)	1,235.2	1,532.5	541.0	1,396.5	1,428.1
Overall deficit excluding grants	**-3,214.3**	**-3,958.2**	**-3,411.1**	**-4,920.5**	**-6,427.9**
Overall deficit including grants	**-4,145.1**	**-5,105.5**	**-4,360.9**	**-5,694.7**	**-7,629.5**
Net Change in Financial Worth (Financing)	**-3,214.3**	**-3,958.2**	**-3,411.1**	**-4,920.5**	**-6,427.9**
Domestic	-2,483.4	-1,898.8	-603.1	-1,359.6	-2,464.5
Bank Financing	-1,288.1	-923.0	297.4	-260.3	-1,256.3
Non Bank Financing	-1,195.2	-975.8	-900.5	-1,099.2	-1,208.2
External	-919.0	-2,494.0	-2,608.6	-3,496.2	-3,680.3
Net change in financial assets	-	-	-	-	0.0
Net change in Liabilities	919.0	2,494.0	2,608.6	3,496.2	3,680.3
Disbursement	919.0	2,494.0	2,608.6	3,496.2	3,680.3
Project loans	1,177.1	2,813.5	2,410.5	4,165.2	4,690.1
Import support loans	0.0	0.0	572.9	141.1	188.3
Amortization (-)	-244.1	-313.1	-371.2	-813.1	-1,198.1
Payment of foreign debt arrears	-	-	-	-	0.0
exceptional fin.	-14.0	-6.4	-3.6	3.0	0.0
Errors and ommissions	68.5	313.1	-329.2	-64.8	-283.1

Published to Facililitate International Comparison

1.Excludes transfers to local governments and extrabudgetary institutions.

2.All transfers include salaries, non-wage and development related spending.

***Source:** Ministry of Finance Planning and Economic Development*

Table 18: Expenditure including Donor Projects by National Budgetary Sector Classifications, 2014/15 - 2019/20 (billion shillings)

	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19	Budget 2019/20	Projected 2019/20
Security	1,665.3	1,520.5	1,798.3	2,433.1	3,690.8	3,771.8
Roads & Works	2,073.3	2,443.2	3,396.7	3,828.1	6,635.1	4,024.7
Agriculture	401.3	718.8	736.7	777.5	1,054.6	979.2
Education	1,928.0	2,204.9	2,277.4	2,727.8	3,495.1	2,446.6
Health	1,056.5	1,132.4	1,072.6	1,581.5	2,609.4	3,131.3
Water & Environment	597.4	580.7	727.7	1,132.3	1,092.8	994.2
Justice, Law & Order	1,161.2	1,080.1	1,143.5	1,399.3	1,742.6	1,594.1
Accountability	782.0	992.1	1,004.8	1,055.1	1,627.8	1,402.2
Energy & Minerals	514.2	604.8	790.6	1,174.3	3,007.2	2,405.7
Tourism, Trade & Industry	82.9	91.3	117.1	117.9	396.5	317.2
Lands, Housing & Urban Development	153.7	124.8	175.3	258.8	227.0	181.6
Social Development	72.9	125.1	159.7	182.1	219.2	175.3
Information & Communication Technology	29.8	82.7	112.6	158.5	146.2	117.0
Public Sector Management	1,359.1	1,248.9	1,416.7	1,560.6	2,168.5	1,984.8
Public Administration	907.0	568.8	686.2	848.4	979.1	783.2
Parliament	416.8	507.4	556.7	568.1	687.8	687.8
Science Technology and Innovation					186.0	160.8
Interest Payments Due	1,359.1	1,248.9	1,416.7	1,560.6	3,145.1	3,651.8
Domestic Interest	1,469.7	1,954.0	1,936.4	2,005.7	2,624.0	2,965.0
External Interest	212.1	406.2	324.1	519.5	521.1	686.8
Total Centre	**10,862.1**	**11,464.0**	**13,652.7**	**16,705.6**	**26,341.8**	**21,988.8**
Total Local Government Programmes	**2,339.2**	**2,562.3**	**2,587.1**	**3,189.8**	**3,623.9**	**3,168.8**
Total Interest	**1,359.1**	**1,248.9**	**1,416.7**	**1,560.6**	**3,145.1**	**3,651.8**
Grand total	**14,883.1**	**16,400.2**	**17,589.4**	**21,364.1**	**33,110.8**	**28,809.5**

Note: *Includes recurrent, domestic development and external development*

Table 19: Consolidated Expenditures excluding Donor Projects, 2014/15 - (billion shillings)

	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19	Budget 2019/20	Projected 2019/20
Security	1,345.1	1,172.5	1,496.2	2,096.6	3,327.8	3,357.8
Roads & Works	1,826.8	2,215.6	2,375.2	3,077.1	3,590.1	3,092.5
Agriculture	366.1	589.2	610.4	625.4	721.3	645.9
Education	1,776.2	2,046.8	2,044.5	2,426.3	3,178.8	2,193.6
Health	773.2	907.2	933.3	1,257.4	1,490.1	2,559.7
Water & Environment	223.0	296.8	390.2	409.7	569.2	575.4
Justice, Law & Order	1,161.1	1,073.9	1,143.5	1,399.3	1,623.7	1,499.0
Accountability	646.9	857.2	830.3	921.1	1,430.8	1,244.6
Energy & Minerals	265.8	395.9	413.4	475.6	779.9	1,711.7
Tourism, Trade & Industry	78.8	87.1	111.2	115.1	379.5	303.6
Lands, Housing & Urban Development	61.9	74.4	85.9	97.1	103.7	83.0
Social Development	72.9	125.1	159.7	182.1	172.5	138.0
Information & Communication Technology	17.2	30.6	59.5	48.6	104.0	83.2
Public Sector Management	1,071.0	926.7	1,008.4	1,107.1	1,291.1	1,582.9
Public Administration	907.0	568.8	686.2	848.4	979.1	783.2
Parliament	416.8	507.4	556.7	568.1	687.8	687.8
Science Technology and Innovation					102.7	94.2
Interest Payments Due	1,681.8	2,360.2	2,260.5	2,525.3	3,145.1	3,651.8
Domestic Interest	1,469.7	1,954.0	1,936.4	2,005.7	2,624.0	2,965.0
External Interest	212.1	406.2	324.1	519.5	521.1	686.8
Total Centre	**8,670.5**	**9,312.8**	**10,384.5**	**12,557.1**	**17,189.6**	**17,467.0**
Total Local Government Programmes	**2,339.2**	**2,562.3**	**2,587.1**	**3,189.8**	**3,342.6**	**3,168.8**
Total Interest	**1,681.8**	**2,360.2**	**2,260.5**	**2,603.3**	**3,145.1**	**3,651.8**
Grand total	**12,691.5**	**14,249.0**	**15,232.1**	**18,272.2**	**23,677.2**	**24,287.6**

Note: *Excludes external development*

Source: *Ministry of Finance Planning and Economic Development*

Table 20: Function Classification of Budgetary Central Government Outlays (GFSM 2001 framework)[5]
2014/15 - 2019/20 (billion shillings)

	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18	Outturn 2018/19	Budget 2019/20	Proj. Outturn 2019/20
Total Outlays	**15,075.5**	**16,712.4**	**18,500.3**	**18,664.8**	**33,110.8**	**28,809.5**
General public services	4,434.4	5,071.7	6,823.7	6,687.1	11,862.8	10,321.7
Public debt transactions	1,681.8	2,360.2	2,260.5	2,526.1	3,822.1	3,688.3
Transfers of general character between levels of government	295.2	324.8	363.5	336.9	597.6	520.0
Defense	1,729.2	1,540.2	1,627.8	2,019.3	3,582.1	3,116.8
Public order and safety	1,187.6	1,110.9	620.5	160.3	284.4	247.5
Economic affairs	3,538.0	4,365.3	5,089.8	4,900.6	8,693.5	7,564.1
General Economic, Commercial and Labour Affairs	149.1	147.8	262.6	386.9	686.4	597.2
Agriculture, forestry, fishing and hunting	600.8	868.4	601.6	619.1	1,098.3	955.6
Fuel and Energy	525.7	586.4	373.8	532.8	945.2	822.4
Mining, manufacturing, and construction	17.5	18.8	14.0	66.9	118.6	103.2
Transport	2,037.0	2,487.6	1,935.2	1,795.7	1,743.1	1,516.6
Communication	29.8	85.6	85.7	141.8	251.6	218.9
Environmental protection	206.6	112.9	171.8	167.1	296.5	257.9
Housing and community amenities	522.2	630.4	748.5	828.8	1,470.2	1,279.2
Health	1,091.3	1,166.8	1,024.1	1,421.7	2,522.0	2,194.4
Outpatient services	19.9	7.6	5.9	-	-	-
Hospital services	255.0	223.0	115.1	147.5	261.7	227.7
Public health services	308.9	404.4	5.5	6.3	11.1	9.7
Recreation, culture and religion	21.1	26.6	28.8	34.8	61.8	53.7
Education	1,921.2	2,196.6	2,021.7	2,140.6	3,797.3	3,304.0
Pre-primary and primary education	924.2	1,455.6	13.1	20.5	36.3	31.6
Secondary education	334.4	9.5	11.1	3.8	6.7	5.8
Tertiary education	402.3	447.5	154.0	216.9	777.3	722.6
Social protection	423.9	491.0	343.6	304.6	540.3	470.1

Note: [5] *Published to facilitate international comparisons. Includes transfers to local governments*

Source: *Ministry of Finance Planning and Economic Development*

Table 21: Consolidated Local Government Financial Operations [6], 2011/12 - 2016/17 (billion shillings)

	Outturn 2011/12	Outturn 2012/13	Outturn 2013/14	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17
Revenue	**1,850.1**	**2,002.3**	**2,249.2**	**2,546.0**	**2,720.4**	**2,860.7**
Taxes	**26.3**	**31.8**	**31.5**	**38.2**	**38.2**	**54.2**
Social contributions						
Grants	1,783.8	1,925.8	2,168.4	2,448.0	2,621.0	2,746.2
Other revenue	40.1	44.6	49.4	59.8	61.1	60.3
Expense	**1,743.0**	**1,911.7**	**2,044.9**	**2,336.8**	**2,453.8**	**2,672.6**
Compensation of employees	931.1	1,043.3	1,129.2	1,413.8	1,423.8	1,429.0
Use of goods and services	489.6	437.4	494.2	557.8	514.0	730.3
Consumption of fixed capital	5.6	6.2	3.1	5.9	10.4	8.6
Interest	0.1	0.0	0.1	0.1	0.0	0.0
Subsidies	-	-		0.0	0.0	0.0
Grants	296.5	407.4	401.8	344.6	393.2	376.9
Social benefits	4.9	5.2	3.3	3.6	105.5	116.4
Other expense	15.1	12.2	13.2	11.0	6.7	11.3
Gross operating balance (1-2+23+NOBz)	**112.8**	**96.8**	**207.5**	**215.1**	**277.0**	**196.8**
Net operating balance (1-2+NOBz) c/	**107.1**	**90.6**	**204.4**	**209.2**	**266.6**	**188.1**
TRANSACTIONS IN NONFINANCIAL ASSETS:						
Net Acquisition of Nonfinancial Assets	**107.0**	**126.3**	**150.4**	**161.6**	**165.1**	**131.1**
Fixed assets	106.2	124.6	148.6	160.8	164.7	130.9
Change in inventories	0.1	0.3	0.3	0.0	0.0	0.0
Valuables	-		-	-	-	-
Nonproduced assets	0.7	1.4	1.6	0.8	0.4	0.1
Net lending / borrowing (1-2+NOBz-31)	0.2	-35.8	53.9	47.5	101.4	57.1
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):						
Net acquisition of financial assets	-6.0	-13.6	51.3	21.0		6.4
Domestic	-6.0	-13.6	51.3	21.0	41.2	6.4
Foreign	-					
Monetary gold and SDRs		-				
Net incurrence of liabilities	1.8	-3.2	37.6	-43.9	13.5	53.5
Domestic	1.8	-3.2	37.6	-43.9	13.5	53.5
Foreign	-	-			-	-
Errors & Ommissions	-8.0	-25.3	40.2	-17.4	73.7	104.2

Source: Ministry of Finance Planning and Economic Development

Table 22: Consolidated Functional Classification of Local Government Outlays [7], 2011/12 - 2016/17 (billion shillings)

	Outturn 2011/12	Outturn 2012/13	Outturn 2013/14	Outturn 2014/15	Outturn 2015/16	Outturn 2016/17
TOTAL OUTLAYS	**1,849.9**	**2,038.1**	**2,195.3**	**2,498.5**	**2,623.9**	**2,803.7**
General public services	**320.7**	**428.8**	**366.8**	**477.1**	**595.1**	**645.2**
Public debt transactions	-					
Transfers of general character betw. levels of govt.c/	-	-				
Defense	-					
Public order and safety	**1.2**	**1.0**	**0.9**	**1.0**	**1.0**	**2.4**
Police services	1.1	1.0	0.9	1.0	1.0	2.4
Prisons	0.0	0.0	0.0	0.0	0.0	0.1
Economic affairs	**314.8**	**322.5**	**339.6**	**272.9**	**240.8**	**259.9**
Agriculture, forestry, fishing, and hunting	161.2	159.1	187.6	53.4	45.2	75.6
Fuel and energy	-		-			
Mining, manufacturing, and construction	-		-			
Transport	75.8	83.0	70.0	105.3	92.8	86.8
Communication	-	-				
Environmental protection	**6.6**	**9.9**	**12.5**	**12.6**	**13.1**	**20.8**
Housing and community amenities	**90.8**	**80.9**	**99.5**	**112.9**	**98.1**	**94.9**
Community Development	29.8	30.8	33.3	39.1	32.6	36.4
Water Supply	58.4	47.5	60.8	69.3	61.4	55.0
Health	**266.3**	**282.6**	**318.2**	**363.0**	**405.4**	**392.6**
Outpatient services	-	-				
Hospital services	23.3	17.4	16.8	17.3	17.5	19.3
Public health services	121.7	105.9	115.2	116.2	116.8	106.3
Recreation, culture and religion	**1.0**	**2.7**	**6.4**	**0.9**	**1.8**	**3.4**
Education	**839.0**	**899.9**	**1,027.3**	**1,223.2**	**1,235.0**	**1,351.4**
Pre-primary and primary education	509.7	530.5	607.3	691.0	718.4	714.2
Secondary education	167.5	209.0	230.9	238.2	262.6	235.4
Tertiary education	17.3	35.9	47.6	52.8	45.1	44.4
Education not definable by level	1.9	1.7	2.3	2.3	2.0	1.9
Subsidiary services to education	0.2	0.5	1.2	0.1	0.0	0.0
Education n.e.c	142.5	122.3	138.1	243.3	228.6	363.6
Social protection	**9.4**	**9.8**	**12.6**	**32.0**	**20.5**	**32.5**

Source: Ministry of Finance Planning and Economic Development

Table 23a: Function classification of central government recurrent expenditure 2015/16 - 2019/20 (million shillings)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**3,297,339**	**4,190,587**	**4,203,582**	**4,770,969**	**6,279,129**
Defence	**1,205,086**	**1,025,991**	**1,329,578**	**1,242,359**	**1,275,591**
Public order and safety	**843,587**	**848,283**	**946,674**	**1,101,781**	**1,271,479**
Economic Affairs	**652,364**	**725,188**	**1,013,193**	**1,239,543**	**1,515,235**
Transport (include road, railway, air tran	413,470	428,452	524,755	646,465	556,405
Agriculture , Forestry, Fishing and Hunti	122,023	160,274	143,279	179,856	239,231
Communication	15,989	28,205	43,019	34,976	57,693
Fuel and Energy Affairs And Services	4,248	2,246	117,505	131,011	173,347
Other Economic Affairs NEC	96,634	106,012	184,635	247,235	488,560
Environment Protection	**24,285**	**15,425**	**19,613**	**26,381**	**53,602**
Housing and Community amenities	**24,572**	**36,121**	**54,997**	**35,010**	**61,619**
Water Supply	4,216	6,703	6,736	5,541	6,140
Housing & Community Amenities n.e.c.	20,356	29,418	48,260	29,469	55,480
Health	**433,619**	**456,739**	**508,990**	**592,045**	**789,262**
Recreation, Culture, and religion	**1,797**	**2,222**	**3,829**	**4,030**	**5,678**
Education	**436,566**	**523,518**	**601,390**	**732,485**	**1,165,291**
Social Protection	**65,389**	**87,407**	**89,925**	**108,172**	**146,611**
Total	**6,984,606**	**7,911,480**	**8,771,769**	**9,852,775**	**12,563,499**

Source: Uganda Bureau of Statistics

Note: (i) Transfers from Treasury to decentralised districts and Urban Administration are excluded.

(ii) 'Revised data

*(iii) * Provisional figures*

Table 23b: Function classification of central government recurrent expenditure 2015/16 - 2019/20 (by percentage)

Function	2015/16	2016/17	2017/18'	2018/19'	2019/20*
General Public Services	**47.2**	**53.0**	**47.9**	**48.4**	**50.0**
Defence	**17.3**	**13.0**	**15.2**	**12.6**	**10.2**
Public order and safety	**12.1**	**10.7**	**10.8**	**11.2**	**10.1**
Economic Affairs	**9.3**	**9.2**	**11.6**	**12.6**	**12.1**
Transport (include road, railway, air tran	5.9	5.4	6.0	6.6	4.4
Agriculture , Forestry, Fishing and Hunti	1.7	2.0	1.6	1.8	1.9
Communication	0.2	0.4	0.5	0.4	0.5
Fuel and Energy Affairs And Services	0.1	0.0	1.3	1.3	1.4
Other Economic Affairs NEC	1.4	1.3	2.1	2.5	3.9
Environment Protection	**0.3**	**0.2**	**0.2**	**0.3**	**0.4**
Housing and Community amenities	**0.4**	**0.5**	**0.6**	**0.4**	**0.5**
Water Supply	0.1	0.1	0.1	0.1	0.0
Housing & Community Amenities n.e.c.	0.3	0.4	0.6	0.3	0.4
Health	**6.2**	**5.8**	**5.8**	**6.0**	**6.3**
Recreation, Culture, and religion	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Education	**6.3**	**6.6**	**6.9**	**7.4**	**9.3**
Social Protection	**0.9**	**1.1**	**1.0**	**1.1**	**1.2**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Uganda Bureau of Statistics

Table 24a: Economic classification of central government recurrent expenditure 2015/16 - 2019/20 (million shillings)

Economic classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
Compensation of employees	**2,079,275**	**2,266,722**	**2,483,848**	**2,894,051**	**3,557,512**
Wages and salaries (In cash)	2,004,269	2,173,468	2,366,427	2,769,828	3,401,405
Social contributions	**75,006**	**93,253**	**117,421**	**124,223**	**156,108**
Actual contributions	66,072	89,133	114,977	116,924	145,042
Imputed contributions	8,935	4,120	2,444	7,298	11,066
Use of goods and services	**2,220,876**	**2,034,470**	**2,488,904**	**2,620,005**	**3,155,721**
Interest	**1,536,688**	**2,451,846**	**2,354,399**	**2,525,285**	**3,235,859**
To nonresidents	185,183	238,394	346,789	495,849	625,254
To residents other than general government	1,351,505	2,213,452	2,007,610	2,029,436	2,610,606
Subsidies	**55,709**	**95,959**	-		-
Grants	**658,955**	**606,720**	**976,656**	**1,295,215**	**1,727,086**
To international organizations	53,161	43,578	74,998	66,179	72,994
To other general government units	604,954	562,302	900,877	1,228,196	1,653,252
To Non-government organizations	840	840	780	840	840
Social benefits	**272,735**	**283,514**	**306,839**	**353,504**	**448,550**
Other expense	**160,369**	**172,249**	**161,124**	**164,714**	**438,770**
Property expense other than interest	4	-	-	-	-
Rent	4	-	-	105	1,606
Miscellaneous other expense	160,365	172,249	161,124	164,609	437,164
Expense	**6,984,606**	**7,911,480**	**8,771,769**	**9,852,775**	**12,563,499**

Source: Uganda Bureau of Statistics

Note: *(i) Transfers from Central Government to decentralized districts and Urban Administration are not included*

(ii) Figures from 2010/11 to 2013/14 represent interest accrued for that period.

(iii) ' Revised figures

Table 24b: Economic classification of central government recurrent expenditure 2015/16 - 2019/20 (by percentage)

Economic classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
Compensation of employees	**29.8**	**28.7**	**28.3**	**29.4**	**28.3**
Wages and salaries (In cash)	28.7	27.5	27	28.1	27.1
Social contributions	**1.1**	**1.2**	**1.3**	**1.3**	**1.2**
Actual contributions	0.9	1.1	1.3	1.2	1.2
Imputed contributions	0.1	0.1	0	0.1	0.1
Use of goods and services	**31.8**	**25.7**	**28.4**	**26.6**	**25.1**
Interest	**22**	**31**	**26.8**	**25.6**	**25.8**
To nonresidents	2.7	3	4	5	5
To residents other than general government	19.3	28	22.9	20.6	20.8
Subsidies	**0.8**	**1.2**	-	-	-
Grants	**9.4**	**7.7**	**11.1**	**13.1**	**13.7**
To international organizations	0.8	0.6	0.9	0.7	0.6
To other general government units	8.7	7.1	10.3	12.5	13.2
To Non-government organizations	0	0	0	0	0
Social benefits	**3.9**	**3.6**	**3.5**	**3.6**	**3.6**
Other expense	**2.3**	**2.2**	**1.8**	**1.7**	**3.5**
Property expense other than interest	0	-	-	-	-
Rent	0	-	-	0	0
Miscellaneous other expense	2.3	2.2	1.8	1.7	3.5
Expense	**100**	**100**	**100**	**100**	**100**

Source: *Uganda Bureau of Statistics*

Table 25a: Function classification of central government development expenditure 2015/16- 2019/20 (million shillings)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**537,348**	**277,711**	**330,791**	**274,080**	**317,139**
Defence	**140,039**	**146,524**	**164,326**	**852,222**	**1,982,256**
Public order and safety	**256,567**	**266,383**	**304,667**	**405,105**	**382,429**
Economic Affairs	**2,004,687**	**2,703,044**	**2,704,928**	**3,390,003**	**3,915,034**
Transport (include road, railway, air tra	1,368,275	1,740,777	1,746,516	2,330,836	2,698,991
Agriculture , Forestry, Fishing and Hun	235,573	396,668	393,207	349,575	401,842
Communication	3,985	1,774	13,935	10,256	33,711
Fuel and Energy Affairs And Services	282,778	381,744	306,283	448,161	516,454
Other Economic Affairs NEC	114,075	182,080	244,987	251,176	264,035
Environment Protection	**62,524**	**47,984**	**109,026**	**58,641**	**69,328**
Housing and Community amenities	**187,000**	**187,930**	**227,726**	**279,442**	**362,964**
Water Supply	118,525	141,785	182,268	238,703	314,727
Housing & Community Amenities n.e.c	68,475	46,145	45,458	40,739	48,236
Health	**62,335**	**105,923**	**94,300**	**126,750**	**130,421**
Recreation, Culture, and religion	-	-	-	-	-
Education	**126,615**	**82,339**	**104,611**	**123,862**	**159,062**
Social Protection	**72,403**	**50,616**	**52,466**	**48,277**	**76,613**
Total	**3,449,519**	**3,868,452**	**4,092,842**	**5,558,383**	**7,395,245**

Source: Uganda Bureau of Statistics

Note: (i) Transfers from Treasury to decentralized districts and Urban Administration excluded.

(ii) 'Revised figures

*(ii) * Provisional figures*

Table 25b: Function classification of central government development expenditure 2015/16- 2019/20 (million shillings)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**15.6**	**7.2**	**8.1**	**4.9**	**4.3**
Defence	**4.1**	**3.8**	**4.0**	**15.3**	**26.8**
Public order and safety	**7.4**	**6.9**	**7.4**	**7.3**	**5.2**
Economic Affairs	**58.1**	**69.9**	**66.1**	**61.0**	**52.9**
Transport (include road, railway, air tra	39.7	45.0	42.7	41.9	36.5
Agriculture , Forestry, Fishing and Hun	6.8	10.3	9.6	6.3	5.4
Communication	0.1	0.0	0.3	0.2	0.5
Fuel and Energy Affairs And Services	8.2	9.9	7.5	8.1	7.0
Other Economic Affairs NEC	3.3	4.7	6.0	4.5	3.6
Environment Protection	**1.8**	**1.2**	**2.7**	**1.1**	**0.9**
Housing and Community amenities	**5.4**	**4.9**	**5.6**	**5.0**	**4.9**
Water Supply	3.4	3.7	4.5	4.3	4.3
Housing & Community Amenties n.e.c.	2.0	1.2	1.1	0.7	0.7
Health	**1.8**	**2.7**	**2.3**	**2.3**	**1.8**
Recreation, Culture, and region	-	-	-	-	-
Education	**3.7**	**2.1**	**2.6**	**2.2**	**2.2**
Social Protection	**2.1**	**1.3**	**1.3**	**0.9**	**1.0**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Uganda Bureau of Statistics

Table 26a: Economic classification of central government development expenditure 2015/16 - 2019/20 (million shillings)

Economic classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
Compensation of employees	**81,357**	**116,002**	**70,943**	**92,732**	**103,940**
Wages and salaries in cash	78,557	111,286	67,621	88,408	98,402
Social contributions	**2,800**	**4,717**	**3,322**	**4,324**	**5,538**
Actual contributions	2,388	4,034	3,062	3,571	4,912
Imputed contributions	412	683	260	752	626
Use of goods and services	**684,060**	**868,366**	**907,415**	**1,437,871**	**563,797**
Interest	**95,860**	**725**	**4,214**	**-**	-
To nonresidents	95,860	-	-	-	-
To residents other than general governm	-	725	4,214	-	-
Subsidies	**-**	**-**	**-**	-	-
Grants	**209,668**	**390,173**	**392,879**	**332,298**	**391,614**
To international organizations	1,786	1,354	2,123	2,177	3,678
To other general government units	207,883	388,819	390,756	330,120	387,936
To Non government organizations	-	-	-	-	-
Social benefits	**1,427**	**7,458**	**2,099**	**3,134**	**2,232**
Other expense	**13,002**	**15,171**	**20,400**	**205,467**	**236,784**
Property expense than interest	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous other expense	13,002	15,171	20,400	205,467	236,784
Expense	**1,085,374**	**1,397,896**	**1,397,950**	**2,071,502**	**1,298,367**

Source: Uganda Bureau of Statistics

Note: (i)' Revised figures

*(ii) * Provisional figures*

Table 26b: Economic classification of central government development expenditure by percentage 2015/16 - 2019/20 (million shillings)

Economic classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
Compensation of employees	**7.5**	**8.3**	**5.1**	**4.5**	**8.0**
Wages and salaries in cash	7.2	8	4.8	4.3	7.6
Social contributions	**0.3**	**0.3**	**0.2**	**0.2**	**0.4**
Actual contributions	0.2	0.3	0.2	0.2	0.4
Imputed contributions	0	0	0	0	0
Use of goods and services	**63.0**	**62.1**	**64.9**	**69.4**	**43.4**
Interest	**8.8**	**0.1**	**0.3**	**-**	**-**
To nonresidents	8.8	-	-	-	-
To residents other than general governm	-	0.1	0.3	-	-
Subsidies	**-**	**-**	**-**	**-**	**-**
Grants	**19.3**	**27.9**	**28.1**	**16**	**30.2**
To international organizations	0.2	0.1	0.2	0.1	0.3
To other general government units	19.2	27.8	28	15.9	29.9
To Non government organizations	-	-	-	-	-
Social benefits	**0.1**	**0.5**	**0.2**	**0.2**	**0.2**
Other expense	**1.2**	**1.1**	**1.5**	**9.9**	**18.2**
Property expense than interest	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous other expense	1.2	1.1	1.5	9.9	18.2
Expense	**100**	**100**	**100**	**100**	**100**

Source: *Uganda Bureau of Statistics*

Table 27a: Function classification of donor funded central government development expenditure 2015/16 - 2019/20 (million shillings)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**76,830**	**678,508**	**244,084**	**532,070**	**267,963**
Defence	**270,883**	**350,744**	**301,978**	**311,802**	**362,933**
Public order and safety	**124**	**7,679**		**-**	**118,872**
Economic Affairs	**1,777,716**	**1,999,601**	**3,353,242**	**3,221,997**	**6,167,076**
Transport (include road, railway, air transport, other transport etc	452,420	693,245	1,292,829	807,236	3,045,735
Agriculture , Forestry, Fishing and Hunting	66,570	178,108	238,566	204,504	333,302
Communication	14,313	102,639	23,430	73,829	42,218
Other Economic Affairs NEC	1,244,414	1,025,609	1,798,417	2,136,428	2,745,820
Environment Protection	**81,168**	**42,552**	**46,215**	**135,830**	**132,665**
Housing and Community amenities	**628,525**	**261,150**	**566,575**	**576,566**	**466,640**
Water Supply	285,422	78,896	392,000	529,451	387,896
Housing & Community Amenties n.e.c.	343,104	182,254	174,575	-	-
Health	**241,471**	**153,940**	**177,532**	**301,264**	**1,119,341**
Recreation, Culture, and religion	-			-	-
Education	**165,284**	**149,064**	**224,865**	**264,133**	**337,239**
Social Protection	38,025	101,587	201,482	213,130	460,862
Grand Total	**3,280,026**	**3,744,826**	**5,115,972**	**5,556,793**	**9,433,591**

Source: *Uganda Bureau of Statistics*

Note: (i)' Revised figures

*(ii) * Provisional figures*

Table 27b: Function classification of donor funded central government development expenditure 2015/16 - 2019/20, (percentage share)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**2.3**	**18.1**	**4.8**	**9.6**	**3.1**
Defence	**8.3**	**9.4**	**5.9**	**5.6**	**3.8**
Public order and safety	**0**	**0.2**	**-**	**-**	**1.3**
Economic Affairs	**54.2**	**53.4**	**65.5**	**58**	**66.4**
Transport (include road, railway, air transport, other trar	13.8	18.5	25.3	**14.5**	32.3
Agriculture , Forestry, Fishing and Hunting	2	4.8	4.7	**3.7**	4.6
Communication	0.4	2.7	0.5	**1.3**	0.4
Other Economic Affairs NEC	37.9	27.4	35.2	**1.6**	-
Environment Protection	**2.5**	**1.1**	**0.9**	**2.4**	**0**
Housing and Community amenities	**19.2**	**7**	**11.1**	**10.4**	**5.2**
Water Supply	8.7	2.1	7.7	**9.5**	4.5
Housing & Community Amenties n.e.c.	10.5	4.9	3.4	-	-
Health	**7.4**	**4.1**	**3.5**	**5.4**	**11.9**
Recreation, Culture, and religion	-	-	-	-	-
Education	**5**	**4**	**4.4**	**4.8**	**3.4**
Social Protection	**1.2**	**2.7**	**3.9**	**3.8**	**4.9**
Grand Total	**100**	**100**	**100**	**100**	**100**

Source: *Uganda Bureau of Statistics*

Note: (i)' Revised figures

*(ii) * Provisional figures*

Table 28a: Function classification of local government expenditure 2015/16 – 2019/20 (million shillings),

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**621,947**	**740,574**	**958,967**	**1,185,428**	**1,021,991**
Defence	-	-	-	-	-
Public Order and Safety	**813**	**889**	**1,796**	**456**	**293**
Economic Affairs	**204,271**	**234,613**	**282,251**	**407,290**	**354,140**
Agriculture	43,666	81,391	104,726	135,280	121,977
Construction/Works	157,246	149,287	169,667	263,951	226,387
Labour	179	269	3,821	2,363	1,544
Other Economic Affairs nec	3,180	3,667	4,037	5,697	4,232
Environmental Protection	**11,864**	**17,929**	**20,705**	**27,322**	**23,633**
Housing and Community amenities	**106,351**	**93,173**	**104,596**	**138,757**	**123,352**
Housing	7,501	3,945	3,971	3,269	2,931
Water Supply	70,377	47,874	57,094	64,421	61,415
Other Community Development	28,472	41,354	43,530	71,067	59,006
Health	**385,169**	**385,565**	**382,009**	**508,356**	**470,447**
Recreation, Culture and Religion	**3,760**	**5,538**	**1,772**	**807**	**575**
Education	**1,271,410**	**1,346,492**	**1,411,816**	**1,485,886**	**1,372,886**
Primary	766,559	721,409	756,676	812,798	761,193
Secondary	290,795	277,325	274,210	314,924	282,984
Tertiary	48,521	52,046	49,172	48,880	43,568
Other Education	165,535	295,712	331,758	309,284	285,141
Social Protection	**21,828**	**26,942**	**44,975**	**20,985**	**13,643**
Total	**2,627,415**	**2,851,714**	**3,208,888**	**3,775,287**	**3,380,960**

Source: Uganda Bureau of Statistics
Note: (i) Local government expenditure is a summation of Districts and Municipalities' expenditures.
(ii) 'Revised figures
*(iii) *Provisional figures*

Table 28b: Function classification of local government expenditure 2015/16 – 2019/20 (by percentage),

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**23.7**	**26**	**29.9**	**31.4**	**30.2**
Defence	-	-	-	-	-
Public Order and Safety	**0**	**0**	**0.1**	**0**	**0**
Economic Affairs	**7.8**	**8.2**	**8.8**	**10.8**	**10.5**
Agriculture	1.7	2.9	3.3	3.6	3.6
Construction/Works	6	5.2	5.3	7	6.7
Labour	0	0	0.1	0.1	0
Other Economic Affairs nec	0.1	0.1	0.1	0.2	0.1
Environmental Protection	**0.5**	**0.6**	**0.6**	**0.7**	**0.7**
Housing and Community amenities	**4**	**3.3**	**3.3**	**3.7**	**3.6**
Housing	0.3	0.1	0.1	0.1	0.1
Water Supply	2.7	1.7	1.8	1.7	1.8
Other Community Development	1.1	1.5	1.4	1.9	1.7
Health	**14.7**	**13.5**	**11.9**	**13.5**	**13.9**
Recreation, Culture and Religion	**0.1**	**0.2**	**0.1**	**0.0**	**0.0**
Education	**48.4**	**47.2**	**44.0**	**39.4**	**40.6**
Primary	29.2	25.3	23.6	21.5	22.5
Secondary	11.1	9.7	8.5	8.3	8.4
Tertiary	1.8	1.8	1.5	1.3	1.3
Other Education	6.3	10.4	10.3	8.2	8.4
Social Protection	**0.8**	**0.9**	**1.4**	**0.6**	**0.4**
Total	**100**	**100**	**100**	**100**	**100**

Source: Uganda Bureau of Statistics
(ii) 'Revised figures
*(iii) *Provisional figures*

Table 29a: Function classification of municipalities expenditure 2015/16- 2019/20 (million shillings)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**176,419**	**185,229**	**253,566**	**237,933**	**185,181**
Defence	-	-	-	-	-
Public Order and Safety	**572**	**676**	**524**	**442**	**284**
Economic Affairs	**32,552**	**31,047**	**41,353**	**69,744**	**55,383**
Agriculture	932	3,253	5,782	6,235	4,727
Construction/Works	31,460	27,489	34,869	63,440	50,613
Labour	4	24	16	-	-
Other Economic Affairs nec	155	280	685	68	43
Environmental Protection	**1,261**	**1,906**	**2,363**	**3,091**	**2,415**
Housing and Community amenities	**4,898**	**15,312**	**7,112**	**9,888**	**7,483**
Housing	600	651	624	499	407
Water Supply	580	2,308	240	769	633
Other Community Development	3,717	12,352	6,249	8,621	6,443
Health	**17,043**	**28,291**	**28,283**	**36,599**	**29,400**
Recreation, Culture and Religion	**155**	**640**	**963**	**19**	**12**
Education	**83,769**	**141,083**	**156,179**	**158,495**	**130,329**
Primary	29,522	49,270	53,428	51,677	42,115
Secondary	36,332	34,995	46,483	50,195	40,531
Tertiary	4,497	6,164	13,913	6,649	5,454
Other Education	13,418	50,654	42,355	49,974	42,229
Social Protection	**926**	**1,806**	**2,293**	**975**	**611**
Total	**317,593**	**405,989**	**492,638**	**517,185**	**411,096**

Source: Uganda Bureau of Statistics
(i) 'Revised figures
*(II) * Provisional figures*
(iii) Figures for 2013/14 to 2017/18 include the net acquisition of non-financial assets for the municipalities.
(iv) Total for Function=Economic classification of Expense+ Net Acquisition of Non-Financial Assets

Table 29b: Function classification of municipalities expenditure 2015/16- 2019/20 (percentage share)

Function	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**55.5**	**45.6**	**51.5**	**46.0**	**45.0**
Defence	-	-	-	-	-
Public Order and Safety	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**
Economic Affairs	**10.2**	**7.6**	**8.4**	**13.5**	**13.5**
Agriculture	0.3	0.8	1.2	1.2	1.1
Construction/Works	9.9	6.8	7.1	12.3	12.3
Labour	0.0	0.0	0.0	-	-
Other Economic Affairs nec	0.0	0.1	0.1	0.0	0.0
Environmental Protection	**0.4**	**0.5**	**0.5**	**0.6**	**0.6**
Housing and Community amenities	**1.5**	**3.8**	**1.4**	**1.9**	**1.8**
Housing	0.2	0.2	0.1	0.1	0.1
Water Supply	0.2	0.6	0.0	0.1	0.2
Other Community Development	1.2	3.0	1.3	1.7	1.6
Health	**5.4**	**7.0**	**5.7**	**7.1**	**7.2**
Recreation, Culture and Religion	**0.0**	**0.2**	**0.2**	**0.0**	**0.0**
Education	**26.4**	**34.8**	**31.7**	**30.6**	**31.7**
Primary	9.3	12.1	10.8	10.0	10.2
Secondary	11.4	8.6	9.4	9.7	9.9
Tertiary	1.4	1.5	2.8	1.3	1.3
Other Education	4.2	12.5	8.6	9.7	10.3
Social Protection	**0.3**	**0.4**	**0.5**	**0.2**	**0.1**
Total	**100**	**100**	**100**	**100**	**100**

Source: Uganda Bureau of Statistics
(i) 'Revised figures
*(II) * Provisional figures*
(iii) Figures for 2013/14 to 2017/18 include the net acquisition of non-financial assets for the municipalities.
(iv) Total for Function=Economic classification of Expense+ Net Acquisition of Non-Financial Assets

Table 30a: Function classification of districts expenditure, 2015/16 - 2019/20 (million shillings)

Function Classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**445,529**	**555,345**	**705,401**	**947,494**	**836,810**
Defence	-		-	-	-
Public Order and Safety	**241**	**212**	**1,272**	**14**	**9**
Economic Affairs	**171,719**	**203,566**	**240,898**	**337,547**	**298,757**
Agriculture	42,734	78,137	98,944	129,045	117,251
Construction/Works	125,786	121,798	134,798	200,511	175,774
Labour	175	244	3,805	2,363	1,544
Other Economic Affairs nec	3,025	3,387	3,351	5,628	4,189
Environmental Protection	**10,604**	**16,023**	**18,343**	**24,231**	**21,218**
Housing and Community amenities	**101,453**	**77,861**	**97,483**	**128,869**	**115,869**
Housing	6,901	3,293	3,347	2,771	2,524
Water Supply	69,797	45,566	56,854	63,652	60,783
Other Community Development	24,755	29,002	37,282	62,446	52,563
Health	**368,126**	**357,274**	**353,726**	**471,757**	**441,047**
Recreation, Culture and Religion	**3,605**	**4,899**	**809**	**788**	**564**
Education	**1,187,642**	**1,205,409**	**1,255,637**	**1,327,392**	**1,242,557**
Primary	737,037	672,139	703,249	761,121	719,078
Secondary	254,463	242,329	227,727	264,730	242,453
Tertiary	44,024	45,882	35,258	42,231	38,114
Other Education	152,117	245,058	289,403	259,311	242,912
Social Protection	**20,903**	**25,137**	**42,682**	**20,011**	**13,033**
Total	**2,309,821**	**2,445,725**	**2,716,250**	**3,258,102**	**2,969,864**

Source: Uganda Bureau of Statistics

Note: (i) The figures include recurrent expenditure for 121 districts and exclude Kampala.
(ii) ' Revised figures
*(iii) * Provisional figures*
(iv) Total for Function= Economic classification of Expense + Acquisition of Non- Financial Assets

Table 30b: Function classification of districts expenditure, 2015/16 - (percentage share)

Function Classification	2015/16	2016/17	2017/18	2018/19'	2019/20*
General Public Services	**19.3**	**22.7**	**26.0**	**29.1**	**28.2**
Defence	-	-	-	-	-
Public Order and Safety	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Economic Affairs	**7.4**	**8.3**	**8.9**	**10.4**	**10.1**
Agriculture	1.9	3.2	3.6	4.0	3.9
Construction/Works	5.4	5.0	5.0	6.2	5.9
Labour	0.0	0.0	0.1	0.1	0.1
Other Economic Affairs nec	0.1	0.1	0.1	0.2	0.1
Environmental Protection	**0.5**	**0.7**	**0.7**	**0.7**	**0.7**
Housing and Community amenities	**4.4**	**3.2**	**3.6**	**4.0**	**3.9**
Housing	0.3	0.1	0.1	0.1	0.1
Water Supply	3.0	1.9	2.1	2.0	2.0
Other Community Development	1.1	1.2	1.4	1.9	1.8
Health	**15.9**	**14.6**	**13.0**	**14.5**	**14.9**
Recreation, Culture and Religion	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**
Education	**51.4**	**49.3**	**46.2**	**40.7**	**41.8**
Primary	31.9	27.5	25.9	23.4	24.2
Secondary	11.0	9.9	8.4	8.1	8.2
Tertiary	1.9	1.9	1.3	1.3	1.3
Other Education	6.6	10.0	10.7	8.0	8.2
Social Protection	**0.9**	**1.0**	**1.6**	**0.6**	**0.4**
Total	**100**	**100**	**100**	**100**	**100**

Source: Uganda Bureau of Statistics

Table 31: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2019/20 Approved Budget						FY 2020/21 Budget Estimates					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Security													
001	ISO	37.69	25.91	0.41	-	64.00	64.00	37.69	26.26	0.41	-	64.36	64.36
004	Defence (incl. Auxiliary)	533.46	642.94	1,978.21	362.93	3,154.61	3,517.54	591.83	851.16	2,581.01	373.63	4,024.00	4,397.63
159	ESO	11.76	23.83	3.64	-	39.23	39.23	14.44	23.87	3.64	-	41.95	41.95
	Sub total- security	**582.92**	**692.68**	**1,982.26**	**362.93**	**3,257.85**	**3,620.78**	**643.96**	**901.30**	**2,585.06**	**373.63**	**4,130.31**	**4,503.95**
Works and transport													
016	Works and Transport	11.87	72.18	917.27	654.55	1,001.32	1,655.86	11.87	118.32	755.60	625.96	885.78	1,511.74
113	Uganda National Roads Authority (UNRA)	71.11	27.35	1,724.55	2,176.06	1,823.00	3,999.07	71.11	61.94	1,689.96	1,644.00	1,823.00	3,467.00
118	Road Fund	2.67	437.82	6.62	1.73	447.10	448.83	2.67	523.21	16.39	-	542.27	542.27
501-850	Designated agencies under Road Fund	-	-	-	-	-	-	-	-	-	-	-	-
501- 850	LG Works and Transport		-	22.90		22.90	22.90		-	24.77		24.77	24.77
113	Transport Corridor Project		-	-		-	-		-	-		-	-
122	KCCA Road Rehabilitation Grant	0.30	-	64.90	212.70	65.20	277.90	0.30	-	64.90	235.00	65.20	300.20
	Sub-total Works and transport	**85.94**	**537.34**	**2,736.24**	**3,045.04**	**3,359.53**	**6,404.57**	**85.94**	**703.47**	**2,551.61**	**2,504.96**	**3,341.02**	**5,845.98**
Agriculture													
010	Agriculture, Animal Industry and Fisheries	13.03	32.04	141.12	333.30	186.19	519.49	13.03	36.82	101.72	564.53	151.58	716.11
121	Dairy Development Authority	1.57	4.92	3.64		10.13	10.13	1.57	4.92	3.64		10.13	10.13
125	National Animal Genetic Res. Centre and Data Ban	4.03	5.87	53.34		63.24	63.24	4.03	5.87	53.34		63.24	63.24
142	National Agricultural Research Organisation (NAR(	22.47	19.72	37.47		79.66	79.66	33.23	19.72	37.47		90.42	90.42
152	NAADS Secretariat	2.18	2.86	140.85	-	145.89	145.89	2.18	2.86	160.85	-	165.89	165.89
155	Uganda Cotton Development Organisation	2.01	2.42	4.21		8.64	8.64	2.01	2.42	4.21		8.64	8.64
160	Uganda Coffee Development Authority	6.86	89.35	0.48		96.70	96.70	7.67	85.97	3.06		96.70	96.70
501-850	LG Agriculture and Commercial Services	73.46	33.77	15.37		122.60	122.60	76.89	33.77	55.81		166.46	166.46
122	KCCA Agriculture Grant	0.20	0.65	6.33	-	7.19	7.19	0.20	0.65	6.33	-	7.19	7.19
	Sub-total Agriculture	**125.83**	**191.59**	**402.83**	**333.30**	**720.25**	**1,053.55**	**140.82**	**192.99**	**426.45**	**564.53**	**760.26**	**1,324.79**
Education					-								
013	Education and Sports	17.81	234.87	79.49	316.29	332.17	648.46	17.81	370.35	71.04	223.34	459.20	682.54
132	Education Service Commission	2.82	6.41	0.19	-	9.42	9.42	2.82	6.40	0.19	-	9.41	9.41
136	Makerere University	166.78	133.82	15.52	-	316.11	316.11	181.02	133.82	15.52	-	330.35	330.35
137	Mbarara University	31.73	11.71	3.69	-	47.13	47.13	33.21	11.71	3.69	-	48.61	48.61
138	Makerere University Business School	47.73	24.13	4.83	-	76.69	76.69	51.52	24.13	4.83	-	80.48	80.48
139	Kyambogo University	50.38	75.21	6.72	-	132.31	132.31	53.02	75.21	6.72	-	134.95	134.95
140	Uganda Management Institute	12.94	18.47	1.89	-	33.29	33.29	13.39	17.97	2.39	-	33.75	33.75
149	Gulu University	31.06	13.59	3.80		48.45	48.45	32.15	13.59	3.80		49.54	49.54
111	Busitema University	23.10	12.34	1.53		36.97	36.97	25.44	12.54	1.33		39.31	39.31
127	Muni University	9.21	3.88	4.20		17.29	17.29	10.67	3.88	4.20		18.75	18.75
128	UNEB	12.36	95.92	15.00		123.28	123.28	12.36	95.92	15.00		123.28	123.28
301	Lira University	8.99	7.40	2.50		18.90	18.90	11.04	5.40	4.50		20.94	20.94
303	National Curriculum Development Centre	3.61	6.76	3.90		14.27	14.27	3.61	6.76	3.90		14.27	14.27
307	Kabale University	23.16	7.81	1.38		32.35	32.35	23.78	7.81	1.38		32.97	32.97
308	Soroti University	7.42	4.36	6.00		17.78	17.78	7.63	4.36	6.00		17.99	17.99
501-850	LG Education	1,328.27	298.08	153.61	-	1,779.96	1,779.96	1,403.80	341.51	162.19	-	1,907.50	1,907.50
122	KCCA Education Grant	33.41	8.90	2.67	-	44.97	44.97	35.88	8.90	2.67	-	47.45	47.45
	Sub-total Education	**1,810.77**	**963.66**	**306.93**	**316.29**	**3,081.35**	**3,397.64**	**1,919.12**	**1,140.25**	**309.36**	**223.34**	**3,368.73**	**3,592.07**
Health					-								
014	Health	14.62	67.27	68.21	1,059.37	150.09	1,209.46	14.62	67.33	49.71	1,223.92	131.66	1,355.57
107	Uganda Aids Commission(Statutory)	1.32	7.39	0.01	-	8.72	8.72	1.32	7.40	-	-	8.72	8.72
114	Uganda Cancer Institute	5.12	14.93	13.93	57.29	33.97	91.26	6.30	14.81	13.93	70.81	35.04	105.85
115	Uganda Heart Institute	4.60	15.46	4.65		24.71	24.71	4.60	15.74	4.65		24.99	24.99
116	National Medical Stores	11.99	384.18	-		396.17	396.17	11.99	384.18	-		396.17	396.17
134	Health Service Commission	2.33	4.46	0.08		6.87	6.87	2.33	4.70	0.08		7.11	7.11
151	Uganda Blood Transfusion Service (UBTS)	3.84	12.23	1.87		17.94	17.94	3.92	11.98	1.87		17.77	17.77
161	Mulago Hospital Complex	29.21	28.93	11.02	-	69.16	69.16	29.21	27.75	6.02	-	62.97	62.97
162	Butabika Hospital	5.70	7.57	8.31	-	21.58	21.58	5.70	7.53	8.31	-	21.54	21.54
304	Uganda Virus Research Institute	1.54	5.25	2.28		9.07	9.07	1.54	5.21	2.28		9.03	9.03
163-176	Regional Referral Hospitals	95.47	53.01	20.07		168.55	168.55	97.80	65.83	20.07		183.70	183.70
501-850	LG Health	437.02	56.19	56.31	2.69	549.52	552.21	448.22	92.10	84.51	4.74	624.83	629.57
122	KCCA Health Grant	8.43	4.42	0.94	-	13.79	13.79	8.43	4.42	0.94	-	13.79	13.79
	Sub-total Health	**621.18**	**661.30**	**187.67**	**1,119.34**	**1,470.15**	**2,589.49**	**635.97**	**708.98**	**192.36**	**1,299.47**	**1,537.31**	**2,836.78**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2019/20 Approved Budget						FY 2019/20 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Water and enviroment													
019	Water	7.18	12.83	369.42	523.29	389.44	912.72	13.00	12.89	363.60	1,076.83	389.49	1,466.32
019	Environment	-	1.85	17.34		19.19	19.19	-	1.85	17.34		19.19	19.19
157	National Forestry Authority	6.47	20.15	5.88		32.50	32.50	6.47	20.15	5.88		32.50	32.50
150	National Environment Management Authority	6.72	18.34	0.99		26.05	26.05	6.72	18.34	0.99		26.05	26.05
302	Uganda National Meterological Authority	7.41	5.15	14.20		26.76	26.76	7.41	5.15	14.20		26.76	26.76
501-850	LG Water and Environment		7.79	51.54	-	59.33	59.33		15.50	79.40	-	94.90	94.90
122	KCCA Water, Env.& Sanitation Grant	8.39	7.37	0.18	0.31	15.93	16.24	8.39	7.37	0.18	-	15.93	15.93
	Sub-total Water and enviroment	**36.17**	**73.48**	**459.55**	**523.60**	**569.21**	**1,092.80**	**41.99**	**81.25**	**481.60**	**1,076.83**	**604.83**	**1,681.66**
Justice/law and order													
007	Justice Court Awards (Statutory)	-	9.35	-		9.35	9.35	-	9.35	-		9.35	9.35
007	Justice, Attorney General excl Compensation	8.82	26.30	83.90		119.02	119.02	8.82	27.42	74.73		110.97	110.97
007	Justice, Attorney General - Compensation	-	13.90	-	-	13.90	13.90	-	33.90	-	-	33.90	33.90
009	Internal Affairs(Excl. Auxiliary forces)	2.30	32.16	6.93	-	41.39	41.39	2.30	37.93	7.43	-	47.66	47.66
101	Judiciary (Statutory)	47.69	112.91	21.01	-	181.61	181.61	58.42	113.13	21.01	-	192.56	192.56
105	Law Reform Commission (Statutory)	4.07	1.61	0.20	-	5.88	5.88	4.07	1.61	0.20	-	5.88	5.88
106	Uganda Human Rights Comm (Statutory)	6.59	12.26	0.05		18.90	18.90	6.59	12.26	0.05		18.90	18.90
109	Law Development Centre	5.14	8.91	4.39		18.44	18.44	5.14	8.91	4.39		18.44	18.44
119	Uganda Registration Services Bureau	8.98	16.09	0.41		25.48	25.48	8.98	16.09	0.41		25.48	25.48
120	National Citizenship and Immigration Control Boar	4.42	88.15	9.23	-	101.80	101.80	4.42	96.46	9.23	-	110.10	110.10
133	DPP	16.77	20.69	5.86	-	43.31	43.31	16.61	21.09	5.86	-	43.56	43.56
144	Uganda Police (incl LDUs)	286.38	223.43	196.10	118.87	705.91	824.78	389.49	285.94	292.76	63.33	968.19	1,031.51
145	Uganda Prisons	64.98	136.32	36.82		238.12	238.12	80.65	147.13	37.28		265.05	265.05
148	Judicial Service Commission	1.98	7.48	0.24		9.71	9.71	2.68	7.79	0.24		10.71	10.71
305	Directorate of Government Analytical Laboratory	1.33	7.60	10.09	-	19.03	19.03	1.33	8.90	10.94	-	21.18	21.18
309	National Identification and Registration Authority	20.33	35.36	6.17	-	61.86	61.86	20.33	48.42	6.17	-	74.92	74.92
	Sub-total Justice/law and order	**479.79**	**752.51**	**381.40**	**118.87**	**1,613.70**	**1,732.57**	**609.84**	**876.31**	**470.69**	**63.33**	**1,956.84**	**2,020.17**
Accountability													
008	MFPED	6.71	428.34	54.87	91.40	489.91	581.31	6.71	547.13	73.07	101.54	626.91	728.45
103	Inspectorate of Government (IGG) (Statutory)	21.17	19.01	13.29	-	53.48	53.48	21.17	19.01	13.29	-	53.48	53.48
112	Directorate of Ethics and Integrity	2.58	6.01	-		8.59	8.59	2.58	6.01	-		8.59	8.59
129	Financial Inteligence Authority	3.48	9.32	0.22	-	13.02	13.02	3.74	9.32	0.22	-	13.28	13.28
130	Treasury Operations		262.07		-	262.07	262.07		543.78		-	543.78	543.78
131	Audit (Statutory)	27.77	27.93	8.05	-	63.75	63.75	27.77	32.93	3.05	-	63.75	63.75
141	URA	163.26	231.35	43.64	-	438.26	438.26	163.26	231.35	43.64	-	438.26	438.26
143	Uganda Bureau of Statistics	12.85	26.82	20.41		60.08	60.08	14.99	24.68	20.41		60.08	60.08
153	PPDA	6.97	6.87	10.99		24.83	24.83	6.97	6.87	10.99		24.83	24.83
310	Uganda Investment Authority	4.20	10.14	1.11	101.46	15.45	116.90	4.20	10.34	0.91	155.55	15.45	171.00
501-850	District Grant for Monitoring and Accountability	-	-	-	-	-	-	-	-	-	-	-	-
122	KCCA Accountability Grant	0.19	1.07	0.07	4.16	1.33	5.49	0.19	1.07	0.07	-	1.33	1.33
	Sub-total Accountability	**249.18**	**1,028.94**	**152.64**	**197.02**	**1,430.76**	**1,627.78**	**251.59**	**1,432.50**	**165.64**	**257.09**	**1,849.73**	**2,106.83**
Energy and mineral development													
017	Energy and Minerals	6.22	64.49	460.79	1,333.17	531.51	1,864.67	6.22	71.93	341.78	1,457.45	419.93	1,877.38
311	Uganda National Oil Company (UNOC)	19.57	11.90	-		31.47	31.47	-	0.00	-		0.00	0.00
312	Petroleum Authority of Uganda	18.33	31.87	-		50.20	50.20	20.69	25.11	4.40		50.20	50.20
123	Rural Electrification Agency (REA)	15.81	22.80	128.14	894.09	166.76	1,060.84	15.81	22.80	128.14	508.27	166.76	675.02
	Sub-total Energy and mineral dev'telopment	**59.94**	**131.06**	**588.93**	**2,227.25**	**779.93**	**3,007.18**	**42.72**	**119.84**	**474.32**	**1,965.71**	**636.88**	**2,602.60**
Trade and industry													
015	Trade, Industry and Cooperatives	2.46	63.03	44.03	17.03	109.51	126.54	2.46	78.14	4.78	10.20	85.38	95.58
154	Uganda National Bureau of Standards	21.36	31.83	15.75		68.94	68.94	21.36	31.83	15.75		68.94	68.94
306	Uganda Export Promotion Board	1.26	3.73	0.06		5.04	5.04	1.26	3.73	0.06		5.04	5.04
501-850	District Trade and Commercial Services		2.23	-	-	2.23	2.23		2.23	-	-	2.23	2.23
	Sub-total Trade and Industry	**25.08**	**100.81**	**59.84**	**17.03**	**185.72**	**202.75**	**25.08**	**115.92**	**20.59**	**10.20**	**161.59**	**171.79**
Tourism													
022	Tourism, Wildlife and Antiquities	2.09	153.84	12.64		168.56	168.56	2.09	153.68	12.64		168.41	168.41
117	Uganda Tourism Board	1.86	23.16	0.16		25.17	25.17	1.86	23.16	0.16		25.17	25.17
	Sub-total Tourism	**3.94**	**176.99**	**12.80**	-	**193.73**	**193.73**	**3.94**	**176.84**	**12.80**	-	**193.58**	**193.58**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2018/19 Approved Budget						FY 2019/20 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Lands, housing and urban development													
012	Lands, Housing and Urban Development	8.10	44.53	8.92	116.65	61.56	178.21	8.10	44.19	8.92	97.20	61.21	158.42
156	Uganda Land Commission	0.61	0.64	39.32	-	40.57	40.57	0.61	0.64	39.32	-	40.57	40.57
122	KCCA Lands	0.58	1.01		6.67	1.59	8.26	0.58	1.01		-	1.59	1.59
	Sub-total Lands, housing and urban dev't	**9.29**	**46.19**	**48.24**	**123.32**	**103.72**	**227.04**	**9.29**	**45.84**	**48.24**	**97.20**	**103.37**	**200.58**
Social development													
018	Gender, Labour and Social Development	4.05	102.77	43.81	46.69	150.63	197.32	4.05	137.78	8.49	-	150.32	150.32
124	Equal Opportunities Commission	2.97	8.94	0.36		12.26	12.26	2.97	8.94	0.36		12.26	12.26
501-850	LG Social Development	-	7.64	-	-	7.64	7.64	-	7.64	-	-	7.64	7.64
122	KCCA Social Development Grant		0.45	1.49		1.94	1.94		0.45	1.49		1.94	1.94
	Sub-total Social development	**7.02**	**119.80**	**45.66**	**46.69**	**172.48**	**219.16**	**7.02**	**154.80**	**10.34**	**-**	**172.16**	**172.16**
ICT and National Guidance													
020	Ministry of ICT and National Guidance	5.94	19.03	38.22	-	63.19	63.19	5.94	20.41	20.22	-	46.57	46.57
126	National Information Technology Authority (NITA -U)	6.65	26.72	7.44	42.22	40.81	83.03	7.44	26.72	7.44	74.77	41.61	116.37
	Sub-total Information &communication technology	**12.58**	**45.76**	**45.67**	**42.22**	**104.01**	**146.22**	**13.38**	**47.13**	**27.67**	**74.77**	**88.17**	**162.94**
Public sector management													
003	Office of the Prime Minister	2.88	82.47	72.17	460.86	157.51	618.37	2.88	106.40	27.17	298.43	136.45	434.88
005	Public Service	5.23	21.23	4.91		31.37	31.37	5.23	19.99	4.91		30.14	30.14
021	East African Affairs	1.14	51.03	0.08		52.24	52.24	1.14	50.92	0.08		52.14	52.14
108	National Planning Authority (Statutory)	8.91	20.24	4.41		33.57	33.57	8.91	20.24	4.41		33.57	33.57
146	Public Service Commission	2.78	5.89	0.18	-	8.86	8.86	3.27	6.11	0.18	-	9.56	9.56
122	Kampala Capital City Authority (KCCA)	62.39	78.55	2.06	0.38	143.00	143.38	62.39	37.78	2.06	-	102.22	102.22
	Sub-total Public Sector Management	**83.32**	**259.40**	**83.82**	**461.25**	**426.54**	**887.79**	**83.81**	**241.44**	**38.82**	**298.43**	**364.07**	**662.50**
Local Government Sector													
011	Local Government	8.57	13.42	18.95	137.49	40.94	178.43	9.61	13.30	140.59	258.69	163.51	422.20
147	Local Govt Finance Comm	1.12	3.54	0.16		4.81	4.81	1.62	3.54	0.16		5.31	5.31
501-850	LG Unconditional	277.76	120.54	-	-	398.30	398.30	286.02	127.01	-	-	413.03	413.03
501-850	LG Discretionary Development Equalisation	-	-	141.09	278.66	141.09	419.75	-	-	141.11	413.10	141.11	554.21
501-850	LG Public Sector Management		241.55	17.44		258.99	258.99		346.90	10.80		357.70	357.70
	Sub-total Local Government Sector	**287.45**	**379.05**	**177.63**	**416.15**	**844.13**	**1,260.29**	**297.25**	**490.75**	**292.66**	**671.79**	**1,080.66**	**1,752.45**
Public administration													
001	Office of the President (excl E&I)	15.55	72.12	14.16		101.82	101.82	17.02	72.12	14.66		103.79	103.79
002	State House	17.10	377.70	12.34		407.14	407.14	18.77	379.02	12.34		410.13	410.13
006	Foreign Affairs	5.54	47.83	0.71		54.08	54.08	5.72	46.88	0.71		53.32	53.32
100	Specified Officers - Salaries (Statutory)	0.52	-	-		0.52	0.52	0.68	-	-		0.68	0.68
102	Electoral Commission (Statutory)	34.21	162.17	32.93		229.30	229.30	37.67	478.21	50.72		566.60	566.60
201-231	Missions Abroad	25.32	143.20	17.67		186.19	186.19	26.06	143.50	17.67		187.23	187.23
	Sub-total Public administration	**98.24**	**803.01**	**77.81**	**-**	**979.06**	**979.06**	**105.91**	**1,119.73**	**96.10**	**-**	**1,321.74**	**1,321.74**
Legislature													
104	Parliamentary Commission (Statutory)	86.93	535.16	65.69	-	687.78	687.78	86.93	515.16	65.69	-	667.78	667.78
	Sub-total Legislature	**86.93**	**535.16**	**65.69**	**-**	**687.78**	**687.78**	**86.93**	**515.16**	**65.69**	**-**	**667.78**	**667.78**
SCIENCE, TECHNOLOGY AND INNOVATION													
023	Ministry of Science, Technology and Innovation	2.06	33.81	53.39	83.28	89.26	172.55	2.57	34.74	70.39	133.36	107.70	241.06
110	Uganda Industrial Research Institute	5.33	6.55	1.56		13.44	13.44	5.33	16.55	1.56		23.44	23.44
	SCIENCE, TECHNOLOGY AND INNOVATION	**7.39**	**40.37**	**54.95**	**83.28**	**102.70**	**185.99**	**7.90**	**51.29**	**71.95**	**133.36**	**131.14**	**264.50**
Interest payments due													
	Domestic Interest	-	2,624.06	-	-	2,624.06	2,624.06	-	3,061.35	-	-	3,061.35	3,061.35
	External Interest	-	521.11	-	-	521.11	521.11	-	1,025.20	-	-	1,025.20	1,025.20
	Sub-total Interest payments	**-**	**3,145.16**	**-**	**-**	**3,145.16**	**3,145.16**	**-**	**4,086.55**	**-**	**-**	**4,086.55**	**4,086.55**
	Total Centre	**2,317.25**	**5,601.21**	**7,266.63**	**9,152.25**	**15,185.09**	**24,337.34**	**2,544.00**	**6,396.07**	**7,624.92**	**9,196.81**	**16,564.98**	**25,761.79**
	Total Local Government Programmes	**2,116.51**	**767.79**	**458.26**	**281.35**	**3,342.57**	**3,623.91**	**2,214.93**	**966.66**	**558.59**	**417.84**	**3,740.17**	**4,158.01**
	Line Ministries + Loc. Gov't Programmes	**4,433.76**	**6,369.01**	**7,724.89**	**9,433.59**	**18,527.66**	**27,961.25**	**4,758.92**	**7,362.73**	**8,183.50**	**9,614.65**	**20,305.16**	**29,919.80**
	Statutory excluding Interest Payments	**239.19**	**1,170.09**	**145.65**	**-**	**1,554.93**	**1,554.93**	**253.54**	**1,753.08**	**158.43**	**-**	**2,165.04**	**2,165.04**
	GRAND TOTAL	**4,672.95**	**10,684.26**	**7,870.54**	**9,433.59**	**23,227.75**	**32,661.34**	**5,012.46**	**13,202.36**	**8,341.93**	**9,614.65**	**26,556.75**	**36,171.40**

Source: Ministry of Finance, Planning and Economic Development

Table 36 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

	Sector/vote	FY 2021/22 Budget Projections						FY 2022/23 Budget Projections					
		Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Security													
001	ISO	37.7	31.5	0.4	-	69.6	69.6	37.7	37.8	0.4	-	75.9	75.9
004	Defence (incl. Auxiliary)	591.8	1,021.4	1,981.0	-	3,594.2	3,594.2	591.8	1,225.7	1,981.0	-	3,798.5	3,798.5
159	ESO	14.4	28.6	3.6	-	46.7	46.7	14.4	34.4	3.6	-	52.5	52.5
	Sub total- security	**644.0**	**1,081.6**	**1,985.1**	**-**	**3,710.6**	**3,710.6**	**644.0**	**1,297.9**	**1,985.1**	**-**	**3,926.9**	**3,926.9**
Works and transport													
016	Works and Transport	11.9	142.0	355.6	246.4	509.4	755.9	11.9	170.4	355.6	2,605.5	537.8	3,143.3
113	Uganda National Roads Authority (UNRA)	71.1	74.3	1,690.0	2,310.3	1,835.4	4,145.7	71.1	89.2	1,690.0	2,378.8	1,850.3	4,229.0
118	Road Fund	2.7	627.9	16.4	-	646.9	646.9	2.7	753.4	16.4	-	772.5	772.5
501-850	Designated agencies under Road Fund		-			-	-		-			-	-
501- 850	LG Works and Transport		-	24.8		24.8	24.8		-	24.8		24.8	24.8
113	Transport Corridor Project		-	-		-	-		-	-		-	-
122	KCCA Road Rehabilitation Grant	0.3	-	64.9	263.3	65.2	328.5	0.3	-	64.9	289.4	65.2	354.6
	Sub-total Works and transport	**85.9**	**844.2**	**2,151.6**	**2,820.0**	**3,081.7**	**5,901.7**	**85.9**	**1,013.0**	**2,151.6**	**5,273.7**	**3,250.5**	**8,524.2**
Agriculture													
010	Agriculture, Animal Industry and Fisheries	13.0	44.2	101.7	278.9	158.9	437.8	13.0	53.0	101.7	155.3	167.8	323.1
121	Dairy Development Authority	1.6	5.9	3.6		11.1	11.1	1.6	7.1	3.6		12.3	12.3
125	National Animal Genetic Res. Centre and Data Bai	4.0	7.0	53.3		64.4	64.4	4.0	8.5	53.3		65.8	65.8
142	National Agricultural Research Organisation (NAR	33.2	23.7	37.5		94.4	94.4	33.2	28.4	37.5		99.1	99.1
152	NAADS Secretariat	2.2	3.4	160.8	-	166.5	166.5	2.2	4.1	160.8	-	167.2	167.2
155	Uganda Cotton Development Organisation	2.0	2.9	4.2		9.1	9.1	2.0	3.5	4.2		9.7	9.7
160	Uganda Coffee Development Authority	7.7	103.2	3.1		113.9	113.9	7.7	123.8	3.1		134.5	134.5
501-850	LG Agriculture and Commercial Services	76.9	40.5	55.8		173.2	173.2	76.9	48.6	55.8		181.3	181.3
122	KCCA Agriculture Grant	0.2	0.8	6.3	-	7.3	7.3	0.2	0.9	6.3	-	7.5	7.5
	SUB-TOTAL AGRICULTURE	**140.8**	**231.6**	**426.4**	**278.9**	**798.9**	**1,077.7**	**140.8**	**277.9**	**426.4**	**155.3**	**845.2**	**1,000.5**
Education													
013	Education and Sports	17.8	444.4	71.0	235.9	533.3	769.2	17.8	533.3	71.0	312.5	622.2	934.7
132	Education Service Commission	2.8	7.7	0.2	-	10.7	10.7	2.8	9.2	0.2	-	12.2	12.2
136	Makerere University	181.0	160.6	15.5	-	357.1	357.1	181.0	192.7	15.5	-	389.2	389.2
137	Mbarara University	33.2	14.1	3.7	-	50.9	50.9	33.2	16.9	3.7	-	53.8	53.8
138	Makerere University Business School	51.5	29.0	4.8	-	85.3	85.3	51.5	34.8	4.8	-	91.1	91.1
139	Kyambogo University	53.0	90.2	6.7	-	150.0	150.0	53.0	108.3	6.7	-	168.0	168.0
140	Uganda Management Institute	13.4	21.6	2.4	-	37.3	37.3	13.4	25.9	2.4	-	41.7	41.7
149	Gulu University	32.1	16.3	3.8		52.3	52.3	32.1	19.6	3.8		55.5	55.5
111	Busitema University	25.4	15.0	1.3		41.8	41.8	25.4	18.1	2.7		46.2	46.2
127	Muni University	10.7	4.7	4.2		19.5	19.5	10.7	5.6	4.2		20.5	20.5
128	UNEB	12.4	115.1	15.0		142.5	142.5	12.4	138.1	15.0		165.5	165.5
301	Lira University	11.0	6.5	4.5		22.0	22.0	11.0	7.8	4.5		23.3	23.3
303	National Curriculum Development Centre	3.6	8.1	3.9		15.6	15.6	3.6	9.7	3.9		17.2	17.2
307	Kabale University	23.8	9.4	1.4		34.5	34.5	23.8	11.2	1.4		36.4	36.4
308	Soroti University	7.6	5.2	6.0		18.9	18.9	7.6	6.3	6.0		19.9	19.9
501-850	LG Education	1,403.8	409.8	162.2	-	1,975.8	1,975.8	1,403.8	491.8	162.2	-	2,057.8	2,057.8
122	KCCA Education Grant	35.9	10.7	2.7	-	49.2	49.2	35.9	12.8	2.7	-	51.4	51.4
	SUB-TOTAL EDUCATION	**1,919.1**	**1,368.3**	**309.4**	**235.9**	**3,596.8**	**3,832.7**	**1,919.1**	**1,642.0**	**310.7**	**312.5**	**3,871.8**	**4,184.3**
Health													
014	Health	14.6	80.8	49.7	813.8	145.1	958.9	14.6	97.0	49.7	8.9	161.3	170.2
107	Uganda Aids Commission(Statutory)	1.3	8.9	-	-	10.2	10.2	1.3	10.7	-	-	12.0	12.0
114	Uganda Cancer Institute	6.3	17.8	13.9	-	38.0	38.0	6.3	21.3	13.9	-	41.6	41.6
115	Uganda Heart Institute	4.6	18.9	4.7		28.1	28.1	4.6	22.7	4.7		31.9	31.9
116	National Medical Stores	12.0	461.0	-		473.0	473.0	12.0	553.2	-		565.2	565.2
134	Health Service Commission	2.3	5.6	0.1		8.1	8.1	2.3	6.8	0.1		9.2	9.2
151	Uganda Blood Transfusion Service (UBTS)	3.9	14.4	1.9		20.2	20.2	3.9	17.2	1.9		23.0	23.0
161	Mulago Hospital Complex	29.2	33.3	6.0	-	68.5	68.5	29.2	40.0	6.0	-	75.2	75.2
162	Butabika Hospital	5.7	9.0	8.3	-	23.0	23.0	5.7	10.8	8.3	-	24.9	24.9
304	Uganda Virus Research Institute	1.5	6.2	2.3		10.1	10.1	1.5	7.5	2.3		11.3	11.3
163-176	Regional Referral Hospitals	97.8	79.0	20.1		196.9	196.9	97.8	94.8	20.1		212.7	212.7
501-850	LG Health	448.2	110.5	84.5	-	643.3	643.3	448.2	132.6	84.5	-	665.4	665.4
122	KCCA Health Grant	8.4	5.3	0.9	-	14.7	14.7	8.4	6.4	0.9	-	15.7	15.7
	SUB-TOTAL HEALTH	**636.0**	**850.8**	**192.4**	**813.8**	**1,679.1**	**2,492.9**	**636.0**	**1,020.9**	**192.4**	**8.9**	**1,849.3**	**1,858.2**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2021/22 Budget Projections						FY 2022/23 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Water and enviroment													
019	Water	13.0	15.5	363.6	1,247.6	392.1	1,639.7	13.0	18.6	363.6	1,430.3	395.2	1,825.5
019	Environment	-	2.2	17.3		19.6	19.6	-	2.7	17.3		20.0	20.0
157	National Forestry Authority	6.5	24.2	5.9		36.5	36.5	6.5	29.0	5.9		41.4	41.4
150	National Environment Management Authority	6.7	22.0	1.0		29.7	29.7	6.7	26.4	1.0		34.1	34.1
302	Uganda National Meterological Authority	7.4	6.2	14.2		27.8	27.8	7.4	7.4	14.2		29.0	29.0
501-850	LG Water and Environment		18.6	79.4	-	98.0	98.0		22.3	79.4	-	101.7	101.7
122	KCCA Water, Env.& Sanitation Grant	8.4	8.8	0.2	-	17.4	17.4	8.4	10.6	0.2	-	19.2	19.2
	SUB-TOTAL WATER	**42.0**	**97.5**	**481.6**	**1,247.6**	**621.1**	**1,868.7**	**42.0**	**117.0**	**481.6**	**1,430.3**	**640.6**	**2,070.9**
Justice/law and order													
007	Justice Court Awards (Statutory)	-	11.2	-		11.2	11.2	-	13.5	-		13.5	13.5
007	Justice, Attorney General excl Compensation	8.8	32.9	74.7		116.5	116.5	8.8	39.5	74.7		123.0	123.0
007	Justice, Attorney General - Compensation	-	40.7	-	-	40.7	40.7	-	48.8	-	-	48.8	48.8
009	Internal Affairs(Excl. Auxiliary forces)	2.3	45.5	7.4	-	55.2	55.2	2.3	54.6	7.4	-	64.4	64.4
101	Judiciary (Statutory)	58.4	135.8	21.0	-	215.2	215.2	58.4	162.9	21.0	-	242.3	242.3
105	Law Reform Commission (Statutory)	4.1	1.9	0.2	-	6.2	6.2	4.1	2.3	0.2	-	6.6	6.6
106	Uganda Human Rights Comm (Statutory)	6.6	14.7	0.1		21.4	21.4	6.6	17.6	0.1		24.3	24.3
109	Law Development Centre	5.1	10.7	4.4		20.2	20.2	5.1	12.8	4.4		22.4	22.4
119	Uganda Registration Services Bureau	9.0	19.3	0.4		28.7	28.7	9.0	23.2	0.4		32.6	32.6
120	National Citizenship and Immigration Control Boar	4.4	115.7	9.2	-	129.4	129.4	4.4	138.9	9.2	-	152.5	152.5
133	DPP	16.6	25.3	5.9	-	47.8	47.8	16.6	30.4	5.9	-	52.8	52.8
144	Uganda Police (incl LDUs)	389.5	343.1	292.8		1,025.4	1,025.4	389.5	411.7	292.8		1,094.0	1,094.0
145	Uganda Prisons	80.6	176.6	37.3		294.5	294.5	80.6	211.9	37.3		329.8	329.8
148	Judicial Service Commission	2.7	9.4	0.2		12.3	12.3	2.7	11.2	0.2		14.1	14.1
305	Directorate of Government Analytical Laboratory	1.3	10.7	10.9	-	23.0	23.0	1.3	12.8	10.9	-	25.1	25.1
309	National Identification and Registration Authority	20.3	58.1	6.2	-	84.6	84.6	20.3	69.7	6.2	-	96.2	96.2
	SUB-TOTAL JUSTICE/LAW AND ORDER	**609.8**	**1,051.6**	**470.7**	**-**	**2,132.1**	**2,132.1**	**609.8**	**1,261.9**	**470.7**	**-**	**2,342.4**	**2,342.4**
Accountability													
008	MFPED	6.7	656.6	73.1	94.1	736.3	830.5	6.7	787.9	73.1	107.2	867.6	974.9
103	Inspectorate of Government (IGG) (Statutory)	21.2	22.8	13.3	-	57.3	57.3	21.2	27.4	13.3	-	61.8	61.8
112	Directorate of Ethics and Integrity	2.6	7.2	-		9.8	9.8	2.6	8.7	-		11.2	11.2
129	Financial Inteligence Authority	3.7	11.2	0.2	-	15.1	15.1	3.7	13.4	0.2	-	17.4	17.4
130	Treasury Operations		652.5		-	652.5	652.5		783.0		-	783.0	783.0
131	Audit (Statutory)	27.8	39.5	3.1	-	70.3	70.3	27.8	47.4	3.1	-	78.2	78.2
141	URA	163.3	277.6	43.6	-	484.5	484.5	163.3	333.1	43.6	-	540.0	540.0
143	Uganda Bureau of Statistics	15.0	29.6	20.4		65.0	65.0	15.0	35.5	20.4		70.9	70.9
153	PPDA	7.0	8.2	11.0		26.2	26.2	7.0	9.9	11.0		27.9	27.9
310	Uganda Investment Authority	4.2	12.4	0.9	183.5	17.5	201.1	4.2	14.9	0.9	133.6	20.0	153.6
501-850	District Grant for Monitoring and Accountability	-	-	-	-	-	-	-	-	-	-	-	-
122	KCCA Accountability Grant	0.2	1.3	0.1	-	1.5	1.5	0.2	1.5	0.1	-	1.8	1.8
	SUB- TOTAL ACCOUNTABILITY	**251.6**	**1,719.0**	**165.6**	**277.7**	**2,136.2**	**2,413.9**	**251.6**	**2,062.8**	**165.6**	**240.9**	**2,480.0**	**2,720.9**
Energy and mineral development													
017	Energy and Minerals	6.2	86.3	341.8	1,202.7	434.3	1,637.0	6.2	103.6	341.8	1,642.5	451.6	2,094.0
311	Uganda National Oil Company (UNOC)	-	0.0	-		0.0	0.0	-	0.0	-		0.0	0.0
312	Petroleum Authority of Uganda	20.7	30.1	4.4		55.2	55.2	20.7	36.2	4.4		61.2	61.2
123	Rural Electrification Agency (REA)	15.8	27.4	128.1	45.3	171.3	216.6	15.8	32.8	128.1	-	176.8	176.8
	SUB-TOTAL ENERGY AND MINERAL DEVELOI	**42.7**	**143.8**	**474.3**	**1,248.0**	**660.9**	**1,908.8**	**42.7**	**172.6**	**474.3**	**1,642.5**	**689.6**	**2,332.1**
Trade and industry													
015	Trade, Industry and Cooperatives	2.5	93.8	4.8	-	101.0	101.0	2.5	112.5	4.8	-	119.8	119.8
154	Uganda National Bureau of Standards	21.4	38.2	15.8		75.3	75.3	21.4	45.8	15.8		82.9	82.9
306	Uganda Export Promotion Board	1.3	4.5	0.1		5.8	5.8	1.3	5.4	0.1		6.7	6.7
501-850	District Trade and Commercial Services		2.7	-	-	2.7	2.7		3.2	-	-	3.2	3.2
	SUB-TOTAL TRADE AND INDUSTRY	**25.1**	**139.1**	**20.6**	**-**	**184.8**	**184.8**	**25.1**	**166.9**	**20.6**	**-**	**212.6**	**212.6**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2021/22 Budget Projections						FY 2022/23 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Tourism													
022	Tourism, Wildlife and Antiquities	2.09	184.42	12.64		199.15	199.15	2.09	221.31	12.64		236.03	236.03
117	Uganda Tourism Board	1.86	27.79	0.16		29.80	29.80	1.86	33.35	0.16		35.36	35.36
	SUB-TOTAL TOURISM	**3.94**	**212.21**	**12.80**	**-**	**228.95**	**228.95**	**3.94**	**254.65**	**12.80**	**-**	**271.39**	**271.39**
Lands, housing and urban development													
012	Lands, Housing and Urban Development	8.1	53.0	8.9	98.3	70.1	168.4	8.1	63.6	8.9	159.6	80.7	240.2
156	Uganda Land Commission	0.6	0.8	39.3	-	40.7	40.7	0.6	0.9	39.3	-	40.9	40.9
122	KCCA Lands	0.6	1.2		-	1.8	1.8	0.6	1.5		-	2.0	2.0
	SUB-TOTAL LANDS HOUSING AND URBAN DEVI	**9.3**	**55.0**	**48.2**	**98.3**	**112.5**	**210.8**	**9.3**	**66.0**	**48.2**	**159.6**	**123.5**	**283.1**
Social development													
018	Gender, Labour and Social Development	4.1	165.3	8.5	-	177.9	177.9	4.1	198.4	8.5	-	210.9	210.9
124	Equal Opportunities Commission	3.0	10.7	0.4		14.1	14.1	3.0	12.9	0.4		16.2	16.2
501-850	LG Social Development	-	9.2	-	-	9.2	9.2	-	11.0	-	-	11.0	11.0
122	KCCA Social Development Grant		0.5	1.5		2.0	2.0		0.7	1.5		2.1	2.1
	SUB-TOTAL SOCIAL DEVELOPMENT	**7.0**	**185.8**	**10.3**	**-**	**203.1**	**203.1**	**7.0**	**222.9**	**10.3**	**-**	**240.3**	**240.3**
ICT and National Guidance													
020	Ministry of ICT and National Guidance	5.9	24.5	20.2	-	50.6	50.6	5.9	29.4	20.2	-	55.5	55.5
126	National Information Technology Authority (NITA -U)	7.4	32.1	7.4	78.0	47.0	125.0	7.4	38.5	7.4	143.3	53.4	196.6
	Sub-total INFORMATION AND COMMUNICATION	**13.4**	**56.6**	**27.7**	**78.0**	**97.6**	**175.6**	**13.4**	**67.9**	**27.7**	**143.3**	**108.9**	**252.2**
Public sector management													
003	Office of the Prime Minister	2.9	127.7	27.2	175.6	157.7	333.3	2.9	153.2	27.2	119.4	183.3	302.7
005	Public Service	5.2	24.0	4.9		34.1	34.1	5.2	28.8	4.9		38.9	38.9
021	East African Affairs	1.1	61.1	0.1		62.3	62.3	1.1	73.3	0.1		74.5	74.5
108	National Planning Authority (Statutory)	8.9	24.3	4.4		37.6	37.6	8.9	29.1	4.4		42.5	42.5
146	Public Service Commission	3.3	7.3	0.2	-	10.8	10.8	3.3	8.8	0.2	-	12.3	12.3
122	Kampala Capital City Authority (KCCA)	62.4	45.3	2.1	-	109.8	109.8	62.4	54.4	2.1	-	118.8	118.8
	SUB-TOTAL PUBLIC SECTOR MANAGEMENT	**83.8**	**289.7**	**38.8**	**175.6**	**412.4**	**588.0**	**83.8**	**347.7**	**38.8**	**119.4**	**470.3**	**589.7**
Local Government Sector													
011	Local Government	9.6	16.0	140.6	50.3	166.2	216.5	9.6	19.2	140.6	-	169.4	169.4
147	Local Govt Finance Comm	1.6	4.2	0.2		6.0	6.0	1.6	5.1	0.2		6.9	6.9
501-850	LG Unconditional	286.0	152.4	-	-	438.4	438.4	286.0	182.9	-	-	468.9	468.9
501-850	LG Discretionary Development Equalisation	-	-	141.1	-	141.1	141.1	-	-	141.1	-	141.1	141.1
501-850	LG Public Sector Management		416.3	10.8		427.1	427.1		499.5	10.8		510.3	510.3
	SUB-TOTAL LOCAL GOVERNMENT SECTOR	**297.2**	**588.9**	**292.7**	**50.3**	**1,178.8**	**1,229.1**	**297.2**	**706.7**	**292.7**	**-**	**1,296.6**	**1,296.6**
Public administration													
001	Office of the President (excl E&I)	17.0	86.5	14.7		118.2	118.2	17.0	103.8	14.7		135.5	135.5
002	State House	18.8	454.8	12.3		485.9	485.9	18.8	545.8	12.3		576.9	576.9
006	Foreign Affairs	5.7	56.3	0.7		62.7	62.7	5.7	67.5	0.7		73.9	73.9
100	Specified Officers - Salaries (Statutory)	0.7	-	-		0.7	0.7	0.7	-	-		0.7	0.7
102	Electoral Commission (Statutory)	37.7	273.9	50.7		362.2	362.2	37.7	328.6	50.7		417.0	417.0
201-238	Missions Abroad	26.1	172.2	17.7		215.9	215.9	26.1	206.6	17.7		250.4	250.4
	SUB-TOTAL PUBLIC ADMINISTRATION	**105.9**	**1,043.7**	**96.1**		**1,245.7**	**1,245.7**	**105.9**	**1,252.4**	**96.1**		**1,454.4**	**1,454.4**
Legislature													
104	Parliamentary Commission (Statutory)	86.9	618.2	65.7	-	770.8	770.8	86.9	741.8	65.7	-	894.4	894.4
	SUB-TOTAL PARLIAMENT	**86.9**	**618.2**	**65.7**	**-**	**770.8**	**770.8**	**86.9**	**741.8**	**65.7**	**-**	**894.4**	**894.4**
SCIENCE, TECHNOLOGY AND INNOVATION													
023	Ministry of Science, Technology and Innovation	2.6	41.7	70.4	141.3	114.6	255.9	2.6	50.0	70.4	11.9	123.0	134.8
110	Uganda Industrial Research Institute	5.3	19.9	1.6		26.8	26.8	5.3	23.8	1.6		30.7	30.7
	SCIENCE, TECHNOLOGY AND INNOVATION	**7.9**	**61.6**	**71.9**	**141.3**	**141.4**	**282.7**	**7.9**	**73.9**	**71.9**	**11.9**	**153.7**	**165.6**
Interest payments due													
	Domestic Interest	-	3,432.0	-	-	3,432.0	3,432.0	-	3,557.1	-	-	3,557.1	3,557.1
	External Interest	-	1,057.6	-	-	1,057.6	1,057.6	-	1,175.7	-	-	1,175.7	1,175.7
	SUB-TOTAL INTEREST PAYMENTS	**-**	**4,489.5**	**-**	-	**4,489.5**	**4,489.5**	-	**4,732.8**	**-**	**-**	**4,732.8**	**4,732.8**
	Total Centre	**2,544.0**	**6,199.2**	**6,624.9**	**7,465.3**	**15,368.1**	**22,833.4**	2,544.0	7,946.1	6,626.3	9,498.2	17,116.4	26,614.6
	Total Local Government Programmes	**2,214.9**	**1,160.0**	**558.6**	**-**	**3,933.5**	**3,933.5**	2,214.9	1,392.0	558.6	-	4,165.5	4,165.5
	Line Ministries + Loc. Gov't Programmes	**4,758.9**	**7,359.2**	**7,183.5**	**7,465.3**	**19,301.6**	**26,766.9**	4,758.9	9,338.1	7,184.9	9,498.2	21,281.9	30,780.1
	Statutory excluding Interest Payments	**253.5**	**1,803.7**	**158.4**	**-**	**2,215.7**	**2,215.7**	253.5	2,164.4	158.4	-	2,576.4	2,576.4
	GRAND TOTAL	**5,012.5**	**13,652.4**	**7,341.9**	**7,465.3**	**26,006.8**	**33,472.1**	**5,012.5**	**16,235.3**	**7,343.3**	**9,498.2**	**28,591.0**	**38,089.2**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2023/24 Budget Projections						FY 2024/25 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Security													
001	ISO	37.7	45.4	0.4	-	83.5	83.5	37.7	54.5	0.4	-	92.6	92.6
004	Defence (incl. Auxiliary)	591.8	1,470.8	1,981.0	-	4,043.6	4,043.6	591.8	1,765.0	1,981.0	-	4,337.8	4,337.8
159	ESO	14.4	41.3	3.6	-	59.3	59.3	14.4	49.5	3.6	-	67.6	67.6
	Sub total- security	**644.0**	**1,557.4**	**1,985.1**	**-**	**4,186.5**	**4,186.5**	**644.0**	**1,868.9**	**1,985.1**	**-**	**4,497.9**	**4,497.9**
Works and transport													
016	Works and Transport	11.9	204.5	355.6	3,872.5	571.9	4,444.4	11.9	245.3	355.6	3,967.5	612.8	4,580.3
113	Uganda National Roads Authority (UNRA)	71.1	107.0	1,690.0	1,529.0	1,868.1	3,397.1	71.1	128.4	1,690.0	575.3	1,889.5	2,464.8
118	Road Fund	2.7	904.1	16.4	-	923.2	923.2	2.7	1,084.9	16.4	-	1,104.0	1,104.0
501-850	Designated agencies under Road Fund		-			-	-		-			-	-
501- 850	LG Works and Transport		-	24.8		24.8	24.8		-	24.8		24.8	24.8
113	Transport Corridor Project	..	-	-		-	-	..	-	-		-	-
122	**KCCA Road Rehabilitation Grant**	**0.3**	**-**	**64.9**	**240.6**	**65.2**	**305.8**	0.3	-	64.9	214.6	65.2	279.8
	Sub-total Works and transport	**85.9**	**1,215.6**	**2,151.6**	**5,642.0**	**3,453.1**	**9,095.2**	**85.9**	**1,458.7**	**2,151.6**	**4,757.4**	**3,696.3**	**8,453.7**
Agriculture													
010	Agriculture, Animal Industry and Fisheries	13.0	63.6	101.7	94.8	178.4	273.2	13.0	76.4	101.7	42.9	191.1	234.0
121	Dairy Development Authority	1.6	8.5	3.6		13.7	13.7	1.6	10.2	3.6		15.4	15.4
125	National Animal Genetic Res. Centre and Data Bank	4.0	10.1	53.3		67.5	67.5	4.0	12.2	53.3		69.5	69.5
142	National Agricultural Research Organisation (NARO)	33.2	34.1	37.5		104.8	104.8	33.2	40.9	37.5		111.6	111.6
152	NAADS Secretariat	2.2	4.9	160.8	-	168.0	168.0	2.2	5.9	160.8	-	169.0	169.0
155	Uganda Cotton Development Organisation	2.0	4.2	4.2		10.4	10.4	2.0	5.0	4.2		11.2	11.2
160	Uganda Coffee Development Authority	7.7	148.6	3.1		159.3	159.3	7.7	178.3	3.1		189.0	189.0
501-850	LG Agriculture and Commercial Services	76.9	58.3	55.8		191.0	191.0	76.9	70.0	55.8		202.7	202.7
122	**KCCA Agriculture Grant**	**0.2**	**1.1**	**6.3**	**-**	**7.7**	**7.7**	0.2	1.4	6.3	-	7.9	7.9
	SUB-TOTAL AGRICULTURE	**140.8**	**333.5**	**426.4**	**94.8**	**900.8**	**995.6**	**140.8**	**400.2**	**426.4**	**42.9**	**967.5**	**1,010.3**
Education													
013	Education and Sports	17.8	640.0	71.0	189.3	728.8	918.1	17.8	768.0	71.0	-	856.8	856.8
132	Education Service Commission	2.8	11.1	0.2	-	14.1	14.1	2.8	13.3	0.2	-	16.3	16.3
136	Makerere University	181.0	231.2	15.5	-	427.8	427.8	181.0	277.5	15.5	-	474.0	474.0
137	Mbarara University	33.2	20.2	3.7	-	57.1	57.1	33.2	24.3	3.7	-	61.2	61.2
138	Makerere University Business School	51.5	41.7	4.8	-	98.1	98.1	51.5	50.0	4.8	-	106.4	106.4
139	Kyambogo University	53.0	130.0	6.7	-	189.7	189.7	53.0	155.9	6.7	-	215.7	215.7
140	Uganda Management Institute	13.4	31.1	2.4	-	46.8	46.8	13.4	37.3	2.4	-	53.0	53.0
149	Gulu University	32.1	23.5	3.8		59.4	59.4	32.1	28.2	3.8		64.1	64.1
111	Busitema University	25.4	21.7	4.0		51.1	51.1	25.4	26.0	6.7		58.2	58.2
127	Muni University	10.7	6.7	4.2		21.6	21.6	10.7	8.1	4.2		22.9	22.9
128	UNEB	12.4	165.7	15.0		193.1	193.1	12.4	198.9	15.0		226.3	226.3
301	Lira University	11.0	9.3	4.5		24.9	24.9	11.0	11.2	4.5		26.7	26.7
303	National Curriculum Development Centre	3.6	11.7	3.9		19.2	19.2	3.6	14.0	3.9		21.5	21.5
307	Kabale University	23.8	13.5	1.4		38.7	38.7	23.8	16.2	1.4		41.4	41.4
308	Soroti University	7.6	7.5	6.0		21.2	21.2	7.6	9.0	6.0		22.7	22.7
501-850	LG Education	1,403.8	590.1	162.2	-	2,156.1	2,156.1	1,403.8	708.2	162.2	-	2,274.1	2,274.1
122	KCCA Education Grant	35.9	15.4	2.7	-	53.9	53.9	35.9	18.4	2.7	-	57.0	57.0
	SUB-TOTAL EDUCATION	**1,919.1**	**1,970.4**	**312.1**	**189.3**	**4,201.5**	**4,390.8**	**1,919.1**	**2,364.4**	**314.8**	**-**	**4,598.3**	**4,598.3**
Health													
014	Health	14.6	116.4	49.7	4.6	180.7	185.3	14.6	139.6	49.7	-	203.9	203.9
107	Uganda Aids Commission(Statutory)	1.3	12.8	-	-	14.1	14.1	1.3	15.3	-	-	16.7	16.7
114	Uganda Cancer Institute	6.3	25.6	13.9	-	45.8	45.8	6.3	30.7	13.9	-	50.9	50.9
115	Uganda Heart Institute	4.6	27.2	4.7		36.4	36.4	4.6	32.6	4.7		41.9	41.9
116	National Medical Stores	12.0	663.9	-		675.9	675.9	12.0	796.6	-		808.6	808.6
134	Health Service Commission	2.3	8.1	0.1		10.5	10.5	2.3	9.8	0.1		12.2	12.2
151	Uganda Blood Transfusion Service (UBTS)	3.9	20.7	1.9		26.5	26.5	3.9	24.8	1.9		30.6	30.6
161	Mulago Hospital Complex	29.2	47.9	6.0	-	83.2	83.2	29.2	57.5	6.0	-	92.8	92.8
162	Butabika Hospital	5.7	13.0	8.3	-	27.0	27.0	5.7	15.6	8.3	-	29.6	29.6
304	Uganda Virus Research Institute	1.5	9.0	2.3		12.8	12.8	1.5	10.8	2.3		14.6	14.6
163-176	Regional Referral Hospitals	97.8	113.8	20.1		231.6	231.6	97.8	136.5	20.1		254.4	254.4
501-850	LG Health	448.2	159.1	84.5	-	691.9	691.9	448.2	191.0	84.5	-	723.7	723.7
122	KCCA Health Grant	8.4	7.6	0.9	-	17.0	17.0	8.4	9.2	0.9	-	18.5	18.5
	SUB-TOTAL HEALTH	**636.0**	**1,225.1**	**192.4**	**4.6**	**2,053.5**	**2,058.1**	**636.0**	**1,470.1**	**192.4**	**-**	**2,298.5**	**2,298.5**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

		FY 2023/24 Budget Projections						FY 2024/25 Budget Projections					
	Sector/vote	Wage	Non-Wage Recurrent	Domestic dev't	Donor Project	Total excl. Donor Project	Total incl. Donor Project	Wage	Non-Wage Recurrent	Domestic dev't	Donor Project	Total excl. Donor Project	Total incl. Donor Project
Water and enviroment													
019	Water	13.00	22.27	363.60	1,696.00	398.88	2,094.88	13.00	26.73	363.60	1,064.10	403.33	1,467.43
019	Environment	-	3.20	17.34		20.54	20.54	-	3.83	17.34		21.18	21.18
157	National Forestry Authority	6.47	34.82	5.88		47.17	47.17	6.47	41.78	5.88		54.13	54.13
150	National Environment Management Authority	6.72	31.69	0.99		39.40	39.40	6.72	38.03	0.99		45.74	45.74
302	Uganda National Meterological Authority	7.41	8.90	14.20		30.51	30.51	7.41	10.68	14.20		32.29	32.29
501-850	LG Water and Environment		26.78	79.40	-	106.18	106.18		32.14	79.40	-	111.54	111.54
122	KCCA Water, Env.& Sanitation Grant	8.39	12.73	0.18	-	21.30	21.30	8.39	15.28	0.18	-	23.85	23.85
	SUB-TOTAL WATER	**41.99**	**140.39**	**481.60**	**1,696.00**	**663.98**	**2,359.98**	**41.99**	**168.47**	**481.60**	**1,064.10**	**692.06**	**1,756.16**
Justice/law and order													
007	Justice Court Awards (Statutory)	-	16.16	-		16.16	16.16	-	19.39	-		19.39	19.39
007	Justice, Attorney General excl Compensation	8.82	47.38	74.73		130.93	130.93	8.82	56.86	74.73		140.41	140.41
007	Justice, Attorney General - Compensation	-	58.57	-	-	58.57	58.57	-	70.29	-	-	70.29	70.29
009	Internal Affairs(Excl. Auxiliary forces)	2.30	65.55	7.43	-	75.28	75.28	2.30	78.66	7.43	-	88.39	88.39
101	Judiciary (Statutory)	58.42	195.48	21.01	-	274.91	274.91	58.42	234.58	21.01	-	314.01	314.01
105	Law Reform Commission (Statutory)	4.07	2.78	0.20	-	7.05	7.05	4.07	3.33	0.20	-	7.60	7.60
106	Uganda Human Rights Comm (Statutory)	6.59	21.18	0.05		27.82	27.82	6.59	25.41	0.05		32.06	32.06
109	Law Development Centre	5.14	15.39	4.39		24.93	24.93	5.14	18.47	4.39		28.00	28.00
119	Uganda Registration Services Bureau	8.98	27.81	0.41		37.19	37.19	8.98	33.37	0.41		42.75	42.75
120	National Citizenship and Immigration Control Boa	4.42	166.67	9.23	-	180.32	180.32	4.42	200.01	9.23	-	213.65	213.65
133	DPP	16.61	36.45	5.86	-	58.92	58.92	16.61	43.74	5.86	-	66.21	66.21
144	Uganda Police (incl LDUs)	389.49	494.10	292.76		1,176.35	1,176.35	389.49	592.92	292.76		1,275.17	1,275.17
145	Uganda Prisons	80.65	254.24	37.28		372.17	372.17	80.65	305.09	37.28		423.01	423.01
148	Judicial Service Commission	2.68	13.47	0.24		16.39	16.39	2.68	16.16	0.24		19.08	19.08
305	Directorate of Government Analytical Laboratory	1.33	15.38	10.94	-	27.66	27.66	1.33	18.45	10.94	-	30.73	30.73
309	National Identification and Registration Authority	20.33	83.67	6.17	-	110.17	110.17	20.33	100.40	6.17	-	126.90	126.90
	SUB-TOTAL JUSTICE/LAW AND ORDER	**609.84**	**1,514.26**	**470.69**	**-**	**2,594.79**	**2,594.79**	**609.84**	**1,817.12**	**470.69**	**-**	**2,897.65**	**2,897.65**
Accountability													
008	MFPED	6.71	945.45	73.07	49.63	1,025.22	1,074.86	6.71	1,134.54	73.07	-	1,214.31	1,214.31
103	Inspectorate of Government (IGG) (Statutory)	21.17	32.85	13.29	-	67.32	67.32	21.17	39.43	13.29	-	73.89	73.89
112	Directorate of Ethics and Integrity	2.58	10.38	-		12.97	12.97	2.58	12.46	-		15.04	15.04
129	Financial Inteligence Authority	3.74	16.11	0.22	-	20.07	20.07	3.74	19.33	0.22	-	23.29	23.29
130	Treasury Operations		939.65		-	939.65	939.65		1,127.58		-	1,127.58	1,127.58
131	Audit (Statutory)	27.77	56.90	3.05	-	87.72	87.72	27.77	68.28	3.05	-	99.10	99.10
141	URA	163.26	399.78	43.64	-	606.68	606.68	163.26	479.73	43.64	-	686.63	686.63
143	Uganda Bureau of Statistics	14.99	42.65	20.41		78.05	78.05	14.99	51.18	20.41		86.58	86.58
153	PPDA	6.97	11.87	10.99		29.84	29.84	6.97	14.25	10.99		32.21	32.21
310	Uganda Investment Authority	4.20	17.86	0.91	30.83	22.97	53.80	4.20	21.44	0.91	-	26.55	26.55
501-850	District Grant for Monitoring and Accountability	-	-	-	-	-	-	-	-	-	-	-	-
122	KCCA Accountability Grant	0.19	1.85	0.07	-	2.10	2.10	0.19	2.22	0.07	-	2.47	2.47
	SUB- TOTAL ACCOUNTABILITY	**251.59**	**2,475.36**	**165.64**	**80.46**	**2,892.59**	**2,973.06**	**251.59**	**2,970.43**	**165.64**	**-**	**3,387.67**	**3,387.67**
Energy and mineral development													
017	Energy and Minerals	6.22	124.29	341.78	1,203.23	472.29	1,675.53	6.22	149.15	341.78	588.80	497.15	1,085.95
311	Uganda National Oil Company (UNOC)	-	0.00	-		0.00	0.00	-	0.00	-		0.00	0.00
312	Petroleum Authority of Uganda	20.69	43.40	4.40		68.48	68.48	20.69	52.08	4.40		77.16	77.16
123	Rural Electrification Agency (REA)	15.81	39.40	128.14	-	183.36	183.36	15.81	47.28	128.14	-	191.24	191.24
	SUB-TOTAL ENERGY AND MINERAL DEVELO	**42.72**	**207.09**	**474.32**	**1,203.23**	**724.13**	**1,927.36**	**42.72**	**248.51**	**474.32**	**588.80**	**765.55**	**1,354.35**
Trade and industry													
015	Trade, Industry and Cooperatives	2.46	135.02	4.78	-	142.26	142.26	2.46	162.03	4.78	-	169.27	169.27
154	Uganda National Bureau of Standards	21.36	55.00	15.75		92.11	92.11	21.36	66.00	15.75		103.11	103.11
306	Uganda Export Promotion Board	1.26	6.44	0.06		7.76	7.76	1.26	7.73	0.06		9.04	9.04
501-850	District Trade and Commercial Services		3.86	-	-	3.86	3.86		4.63	-	-	4.63	4.63
	SUB-TOTAL TRADE AND INDUSTRY	**25.08**	**200.31**	**20.59**	**-**	**245.98**	**245.98**	**25.08**	**240.38**	**20.59**	**-**	**286.05**	**286.05**

Source: Ministry of Finance, Planning and Economic Development

Table 31 cont'd: Medium term expenditure framework (excluding energy savings, arrears and non-VAT) , billion shilllings, 2019/20 - 2024/2025

	Sector/vote	FY 2023/24 Budget Projections						FY 2024/25 Budget Projections					
		Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing	Wage	Non-Wage Recurrent	Domestic dev't	External Financing	Total excl. External Financing	Total incl. External Financing
Tourism													
022	Tourism, Wildlife and Antiquities	2.09	265.57	12.64		280.29	280.29	2.09	318.68	12.64		333.41	333.41
117	Uganda Tourism Board	1.86	40.01	0.16		42.02	42.02	1.86	48.02	0.16		50.03	50.03
	SUB-TOTAL TOURISM	**3.94**	**305.58**	**12.80**	**-**	**322.32**	**322.32**	**3.94**	**366.70**	**12.80**	**-**	**383.43**	**383.43**
Lands, housing and urban development													
012	Lands, Housing and Urban Development	8.10	76.36	8.92	64.94	93.38	158.32	8.10	91.63	8.92	-	108.66	108.66
156	Uganda Land Commission	0.61	1.11	39.32	-	41.04	41.04	0.61	1.33	39.32	-	41.26	41.26
122	KCCA Lands	0.58	1.75		-	2.32	2.32	0.58	2.09		-	2.67	2.67
	SUB-TOTAL LANDS HOUSING AND URBAN	**9.29**	**79.22**	**48.24**	**64.94**	**136.75**	**201.69**	**9.29**	**95.06**	**48.24**	**-**	**152.59**	**152.59**
Social development													
018	Gender, Labour and Social Development	4.05	238.08	8.49	-	250.62	250.62	4.05	285.69	8.49	-	298.23	298.23
124	Equal Opportunities Commission	2.97	15.44	0.36		18.77	18.77	2.97	18.53	0.36		21.86	21.86
501-850	LG Social Development	-	13.20	-	-	13.20	13.20	-	15.84	-	-	15.84	15.84
122	KCCA Social Development Grant		0.78	1.49		2.27	2.27		0.94	1.49		2.42	2.42
	SUB-TOTAL SOCIAL DEVELOPMENT	**7.02**	**267.50**	**10.34**	**-**	**284.86**	**284.86**	**7.02**	**321.00**	**10.34**	**-**	**338.36**	**338.36**
ICT and National Guidance													
020	Ministry of ICT and National Guidance	5.94	35.26	20.22	-	61.42	61.42	5.94	42.31	20.22	-	68.47	68.47
126	National Information Technology Authority (NIT	7.44	46.18	7.44	330.89	61.06	391.95	7.44	55.41	7.44	251.89	70.30	322.19
	Sub-total INFORMATION AND COMMUNICAT	**13.38**	**81.44**	**27.67**	**330.89**	**122.48**	**453.38**	**13.38**	**97.73**	**27.67**	**251.89**	**138.77**	**390.66**
Public sector management			-	-	-	-	-		-	-	-	-	-
003	Office of the Prime Minister	2.88	183.87	27.17	62.04	213.91	275.95	2.88	220.64	27.17	-	250.68	250.68
005	Public Service	5.23	34.55	4.91		44.69	44.69	5.23	41.45	4.91		51.60	51.60
021	East African Affairs	1.14	88.00	0.08		89.21	89.21	1.14	105.60	0.08		106.81	106.81
108	National Planning Authority (Statutory)	8.91	34.98	4.41		48.30	48.30	8.91	41.97	4.41		55.30	55.30
146	Public Service Commission	3.27	10.55	0.18	-	14.01	14.01	3.27	12.66	0.18	-	16.12	16.12
122	Kampala Capital City Authority (KCCA)	62.39	65.28	2.06	-	129.72	129.72	62.39	78.33	2.06	-	142.78	142.78
	SUB-TOTAL PUBLIC SECTOR MANAGEMEI	**83.81**	**417.22**	**38.82**	**62.04**	**539.85**	**601.89**	**83.81**	**500.66**	**38.82**	**-**	**623.29**	**623.29**
Local Government Sector													
011	Local Government	9.61	22.98	140.59	-	173.19	173.19	9.61	27.58	140.59	-	177.79	177.79
147	Local Govt Finance Comm	1.62	6.11	0.16		7.89	7.89	1.62	7.34	0.16		9.11	9.11
501-850	LG Unconditional	286.02	219.48	-	-	505.49	505.49	286.02	263.38	-	-	549.39	549.39
501-850	LG Discretionary Development Equalisation	-	-	141.11	-	141.11	141.11	-	-	141.11	-	141.11	141.11
501-850	LG Public Sector Management		599.44	10.80		610.24	610.24		719.33	10.80		730.13	730.13
	SUB-TOTAL LOCAL GOVERNMENT SECTOI	**297.25**	**848.02**	**292.66**	**-**	**1,437.92**	**1,437.92**	**297.25**	**1,017.62**	**292.66**	**-**	**1,607.53**	**1,607.53**
Public administration													
001	Office of the President (excl E&I)	17.02	124.62	14.66		156.29	156.29	17.02	149.54	14.66		181.21	181.21
002	State House	18.77	654.95	12.34		686.06	686.06	18.77	785.94	12.34		817.05	817.05
006	Foreign Affairs	5.72	81.02	0.71		87.45	87.45	5.72	97.22	0.71		103.65	103.65
100	Specified Officers - Salaries (Statutory)	0.68	-	-		0.68	0.68	0.68	-	-		0.68	0.68
102	Electoral Commission (Statutory)	37.67	394.36	50.72		482.74	482.74	37.67	473.23	50.72		561.61	561.61
201-238	Missions Abroad	26.06	247.96	17.67		291.69	291.69	26.06	297.56	17.67		341.29	341.29
	SUB-TOTAL PUBLIC ADMINISTRATION	**105.91**	**1,502.90**	**96.10**		**1,704.91**	**1,704.91**	**105.91**	**1,803.48**	**96.10**		**2,005.49**	**2,005.49**
Legislature													
104	Parliamentary Commission (Statutory)	86.93	890.19	65.69	-	1,042.81	1,042.81	86.93	1,068.23	65.69	-	1,220.85	1,220.85
	SUB-TOTAL PARLIAMENT	**86.93**	**890.19**	**65.69**	**-**	**1,042.81**	**1,042.81**	**86.93**	**1,068.23**	**65.69**	**-**	**1,220.85**	**1,220.85**
SCIENCE, TECHNOLOGY AND INNOVATION													
023	Ministry of Science, Technology and Innovatio	2.57	60.03	70.39	-	132.99	132.99	2.57	72.04	70.39	-	145.00	145.00
110	Uganda Industrial Research Institute	5.33	28.60	1.56		35.49	35.49	5.33	34.32	1.56		41.21	41.21
	SCIENCE, TECHNOLOGY AND INNOVATIOI	**7.90**	**88.63**	**71.95**	**-**	**168.48**	**168.48**	**7.90**	**106.36**	**71.95**	**-**	**186.21**	**186.21**
Interest payments due													
	Domestic Interest	**-**	**3,738.64**	**-**	**-**	**3,738.64**	**3,738.64**	**-**	**4,136.48**	**-**	**-**	**4,136.48**	**4,136.48**
	External Interest	**-**	**1,332.04**	**-**	**-**	**1,332.04**	**1,332.04**	**-**	**1,417.77**	**-**	**-**	**1,417.77**	**1,417.77**
	SUB-TOTAL INTEREST PAYMENTS	**-**	**5,070.69**	**-**	**-**	**5,070.69**	**5,070.69**	**-**	**5,554.25**	**-**	**-**	**5,554.25**	**5,554.25**
	Total Centre	**2,544.0**	**10,913.2**	**6,627.6**	**9,368.4**	**20,084.8**	**29,453.1**	**2,544.0**	**13,605.3**	**6,630.3**	**6,705.1**	**22,779.7**	**29,484.7**
	Total Local Government Programmes	**2,214.9**	**1,670.4**	**558.6**	**-**	**4,443.9**	**4,443.9**	**2,214.9**	**2,004.5**	**558.6**	**-**	**4,778.0**	**4,778.0**
	Line Ministries + Loc. Gov't Programmes	**4,758.9**	**12,583.5**	**7,186.2**	**9,368.4**	**24,528.7**	**33,897.0**	**4,758.9**	**15,609.8**	**7,188.9**	**6,705.1**	**27,557.6**	**34,262.7**
	Statutory excluding Interest Payments	**253.5**	**2,597.3**	**158.4**	**-**	**3,009.3**	**3,009.3**	**253.5**	**3,116.8**	**158.4**	**-**	**3,528.7**	**3,528.7**
	GRAND TOTAL	**5,012.5**	**20,251.5**	**7,344.6**	**9,368.4**	**32,608.6**	**41,977.0**	**5,012.5**	**24,280.8**	**7,347.3**	**6,705.1**	**36,640.6**	**43,345.7**

Source: Ministry of Finance, Planning and Economic Development

Table 32: External Debt Service Payments By Creditor Excluding Debt Relief, US Million Dollars, 2017/18 - 2019/20

	Principal			Interest			Principal as % of Total		
Creditor Category	**2017/18**	**2018/19**	**2019/20**	**2017/18**	**2018/19**	**2019/20**	**2017/18**	**2018/19**	**2019/20**
Multilateral creditors									
African Dev Bank/Fund (ADB/F)	4.4	5.6	9.0	11.1	12.7	11.3	5.6%	5.6%	8.8%
Arab Bank for Econ Dev in Africa (BADEA)	1.3	1.8	1.3	0.6	0.8	0.5	0.7%	0.8%	0.8%
European Dev Fund (EDF)	0.0		0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
European Investment Bank (EIB)	4.7	2.3	1.7	1.2	1.5	0.9	2.1%	1.2%	1.1%
Int Bank for Recons and Dev (IBRD) (5)	0.0		0.0	0.0	0.0		0.0%	0.0%	0.0%
Int Dev Association (IDA)	28.3	31.6	42.5	20.9	24.2	22.8	17.8%	17.1%	28.2%
Int Fund for Agricult (IFAD)	6.0	5.9	6.2	1.7	1.8	1.7	2.8%	2.3%	3.4%
Int Monetary Fund (IMF)	0.0		0.0	0.0	0.0		0.0%	0.0%	0.0%
Islamic Dev Bank (IDB)	1.3	1.7	3.6	0.2	0.5	0.1	0.5%	0.7%	1.6%
Opec Fund	2.7	3.4	3.4	0.6	0.8	0.8	1.2%	1.3%	1.9%
Shelter Afrique	0.0		0.0	0.0	0.0		0.0%	0.0%	0.0%
Nordic Dev Fund	2.0	2.1	1.6	0.5	0.4	0.3	0.9%	0.8%	0.8%
Total multilateral creditors	**50.8**	**54.2**	**69.3**	**36.7**	**42.6**	**38.5**	**31.7%**	**29.7%**	**46.6%**
Non-Paris club bilateral creditors									
Abu Dhabi	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Burundi	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
China, P.R. of	13.8	13.1	32.8	39.2	67.0	50.1	19.2%	24.6%	35.8%
Cuba	0.0	0.0	0.0	0.0	0.0		0.0%	0.0%	0.0%
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Kuwait	0.6	2.3	1.6	0.4	0.6	0.4	0.4%	0.9%	0.9%
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Saudi Arabia	0.2	0.2	0.5	0.3	0.4	0.4	0.2%	0.2%	0.4%
Tanzania	0.0	0.0	0.0	0.0	0.0		0.0%	0.0%	0.0%
North Korea	0.0	0.0	0.0	0.0	0.0		0.0%	0.0%	0.0%
South Korea	0.3	0.3	0.1	0.0	0.0	0.0	0.1%	0.1%	0.1%
Other	0.0	0.0	0.0	0.0	0.0		0.0%	0.0%	0.0%
Total non- Paris club bilateral creditors	**14.9**	**15.9**	**35.1**	**39.9**	**68.1**	**50.9**	**19.8%**	**25.8%**	**37.2%**
Paris club bilateral creditors									
Austria	1.2	1.1	1.4	0.1	0.1	0.1	0.5%	0.4%	0.6%
France		8.1	12.8	0.9	1.3	2.8	0.3%	2.9%	6.8%
Germany		0.0	0.0	0.2	0.4	0.4	0.1%	0.1%	0.2%
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Japan	17.7	17.6	9.5	2.7	3.6	1.6	7.4%	6.5%	4.8%
Spain	0.0	0.0	0.8	0.0	0.0	0.0	0.0%	0.0%	0.4%
United Kingdom		0.0	0.0	0.0	0.6	1.4	0.0%	0.2%	0.6%
United States		0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Sweden		0.0	0.0	0.0	0.0		0.0%	0.0%	0.0%
Norway	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Israel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Total Paris club	**18.9**	**26.8**	**24.5**	**3.9**	**6.0**	**6.2**	**8.2%**	**10.1%**	**13.3%**
Commercial non banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0%		0.0%
Commercial banks	99.3	104.8	4.1	4.5	9.7	6.5	40.2%	34.4%	3.0%
Other loan category[2]							0.0%	0.0%	0.0%
Grand total[3]	**183.9**	**201.8**	**133.0**	**92.4**	**124.1**	**98.4**	**100.0%**	**100.0%**	**100.0%**

Note: (1) Arrears Include arrears of principal, interest and penalty interest

(2) Loans extended to private companies with government guarantee, but not currently serviced by government

(3) Small discrepencies between totals and the sum of individual components are due to rounding errors.

(4) FY2018/19 only reflect the 31st December 2018 position.

Source: Ministry of Finance, Planning and Economic Development

Table 33: Uganda External Debt Service Payment by Creditor including Debt Relief, (US Million Dollars) 2017/18 - 2019/20

	Principal [1]				Interest [2]			Total			Percentage		
	2017/18 pre-Relief	2018/19 pre-Relief	2019/20 pre-Relief	2014/15 pre-Relief	2017/18 pre-Relief	2018/19 pre-Relief	2019/20 pre-Relief	2017/18 pre-Relief	2018/19 pre-Relief	2019/20 pre-Relief	2017/18 pre-Relief	2018/19 pre-Relief	2019/20 pre-Relief
Multilateral creditors													
African Dev Bank/Fund (ADB/F)	19.0	16.2	21.8		11.5	12.3	13.9	30.6	28.5	35.7	9.4%	6.9%	9.4%
Arab Bank for Econ Dev in Africa (BADEA)	0.8	1.0	1.5		0.4	0.4	0.6	1.2	1.5	2.1	0.4%	0.4%	0.6%
European Dev Fund (EDF)			0.0				0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
European Investment Bank (EIB)	4.0	1.4	1.9		0.8	0.5	0.9	4.8	1.9	2.9	1.5%	0.5%	0.7%
Int Bank for Recons and Dev (IBRD) [5]			0.0					0.0	0.0	0.0	0.0%	0.0%	0.0%
Int Dev Association (IDA)	113.1	132.6	151.6		30.8	34.8	35.4	143.9	167.4	187.0	44.0%	40.4%	49.2%
Int Fund for Agricult (IFAD)	5.1	5.7	6.5		1.5	1.7	1.7	6.6	7.4	8.2	2.0%	1.8%	2.2%
Int Monetary Fund (IMF)	0.0		0.0		0.0			0.0	0.0	0.0	0.0%	0.0%	0.0%
Islamic Dev Bank (IDB)	0.4	0.0	4.0		0.3	0.0	0.1	0.7	0.0	4.1	0.2%	0.0%	1.1%
Opec Fund	2.0	2.4	4.1		0.5	0.7	0.9	2.5	3.1	5.0	0.8%	0.7%	1.3%
Shelter Afrique			0.0					0.0	0.0	0.0	0.0%	0.0%	0.0%
Nordic Dev Fund	1.8	1.8	1.6		0.4	0.6	0.3	2.2	2.4	1.9	0.7%	0.6%	0.5%
Total Multilateral creditors	**146.1**	**161.2**	**193.0**		**46.3**	**51.0**	**53.8**	**192.4**	**212.2**	**246.9**	**58.8%**	**51.3%**	**64.9%**
Non-Paris club bilateral creditors													
Abu Dhabi			0.0				0.0	0.00	0.00	0.00	0.0%	0.0%	0.0%
Burundi	0.0	0.0	0.0		0.0	0.0	0.0	0.00	0.00	0.00	0.0%	0.0%	0.0%
China, P.R. of	14.5	14.3	32.8		42.6	52.0	50.1	57.10	66.35	82.97	17.5%	16.0%	21.8%
Cuba								0.00	0.00	0.00	0.0%	0.0%	0.0%
India	0.0	0.6	0.0		0.0		0.0	0.00	0.63	0.00	0.0%	0.2%	0.0%
Kuwait	0.6		2.9		0.3	0.3	0.6	0.86	0.30	3.43	0.3%	0.1%	0.9%
Libya	0.0		0.0		0.0		0.0	0.00	0.00	0.00	0.0%	0.0%	0.0%
Saudi Arabia	0.2	0.1	0.6		0.2	0.2	0.4	0.35	0.36	1.02	0.1%	0.1%	0.3%
Tanzania								0.00	0.00	0.00	0.0%	0.0%	0.0%
North Korea								0.00	0.00	0.00	0.0%	0.0%	0.0%
South Korea	0.1	0.0	0.4		0.0	0.0	0.0	0.16	0.01	0.45	0.1%	0.0%	0.1%
Other										0.00	0.0%	0.0%	0.0%
Total Non-Paris club bilateral creditors	**15.4**	**15.1**	**36.7**		**43.0**	**52.6**	**51.2**	**58.5**	**67.7**	**87.9**	**17.9%**	**16.3%**	**23.1%**
Paris club bilateral creditors [6]													
Austria	1.31	1.29	1.52		0.11	0.05	0.06	1.41	1.34	1.58	0.4%	0.3%	0.4%
France	0.45	5.43	13.85		0.74	0.94	2.96	1.20	6.37	16.81	0.4%	1.5%	4.4%
Germany		0.00	0.00			0.31	0.36	0.00	0.31	0.36	0.0%	0.1%	0.1%
Italy	0.18	0.46	0.55		0.49	0.97	0.97	0.67	1.43	1.51	0.2%	0.3%	0.4%
Japan	10.77	11.79	12.24		1.14	1.87	1.67	11.91	13.66	13.92	3.6%	3.3%	3.7%
Spain	0.00	0.82	0.82		0.0	0.0	0.0	0.00	0.83	0.83	0.0%	0.2%	0.2%
United Kingdom	0.41	0.98	1.20		0.14	0.86	1.54	0.55	1.83	2.73	0.2%	0.4%	0.7%
United States	0.01	0.02	0.03		0.00	0.00	0.00	0.01	0.03	0.03	0.0%	0.0%	0.0%
Sweden	0.00	0.00	0.00		0.59	0.31		0.59	0.31	0.00	0.2%	0.1%	0.0%
Norway	0.00		0.00		0.00		0.00	0.00	0.00	0.00	0.0%	0.0%	0.0%
Finland	0.15	0.15	0.14		0.02	0.02	0.02	0.18	0.17	0.16	0.1%	0.0%	0.0%
Israel	0.24	0.57	0.65		0.09	0.14	0.09	0.33	0.71	0.74	0.1%	0.2%	0.2%
Total Paris club bilateral creditors	**13.5**	**21.5**	**31.0**		**3.3**	**5.5**	**7.7**	**16.8**	**27.0**	**38.7**	**5.2%**	**6.5%**	**10.2%**
Commercial non banks									0.00	0.00		0.0%	0.0%
Commercial banks	49.7	100.7	4.1		9.7	6.5	2.8	59.34	107.22	6.91	18.1%	25.9%	1.8%
Other loan category [3]										0.00		0.0%	0.0%
Grand total [4]	**224.73**	**298.49**	**264.80**		**102.30**	**115.62**	**115.52**	**327.03**	**414.11**	**380.33**	**100.0%**	**100.0%**	**100.0%**

NOTE: (1) Including arrears

(2) Includes interest on arrears

(3) Loans extended to private companies with government guarantee.

(4) Small discrepancies between totals and the sum of components are due to rounding errors.

(5) PARIS CLUB VI "Naples Terms": all figures are actual payments (i.e. Excludes HIPC Relief)

SOURCE: Ministry of Finance, Planning and Economic Development

Table 34: Depository Corporations Survey: June 2015- March 2020 (billion shillings)

	2015 Jun	2016 Jun	2017 Jun	2018 Jun	2019 Jun	2019 Jul	2019 Aug	2019 Sep	2019 Oct	2019 Nov	2019 Dec	2020 Jan	2020 Feb	2020 Mar
Net Foreign Assets	**9,644.3**	**10,326.1**	**12,894.4**	**14,953.4**	**13,870.4**	**13,740.7**	**13,470.0**	**13,023.6**	**13,450.7**	**13,462.5**	**14,075.6**	**14,102.8**	**14,548.4**	**15,328.2**
Central Bank(net)	10,092.0	10,641.8	12,843.2	13,361.8	13,406.5	13,316.2	12,803.3	12,703.6	12,887.8	12,843.0	13,169.4	13,038.3	13,398.3	13,637.6
Of Which: Official Foreign Assets	9,559.6	10,085.5	12,157.3	12,160.2	12,057.0	12,076.6	11,588.5	11,765.3	11,771.6	11,666.0	11,878.8	11,958.0	12,310.2	12,435.1
Other Depository Corporations(net)	-447.7	-315.6	51.2	1,591.6	463.9	424.5	666.7	320.1	562.9	619.5	906.3	1,064.5	1,150.1	1,690.5
Net Domestic Assets (NDA)	**6,876.2**	**7,459.8**	**7,276.8**	**7,796.5**	**10,534.6**	**10,140.2**	**11,864.2**	**12,129.0**	**12,526.8**	**12,954.8**	**13,033.2**	**12,772.0**	**12,653.3**	**12,120.6**
Domestic Claims	13,267.1	14,825.7	15,248.6	16,836.1	20,084.4	19,894.6	21,536.9	22,085.0	22,795.4	23,085.7	22,483.6	22,648.0	22,867.0	22,483.8
Claims on Central Government(net)	1,830.6	2,753.9	2,456.0	2,716.4	3,972.7	3,653.3	5,181.0	5,642.4	6,213.1	6,336.0	5,434.0	5,747.8	6,038.6	5,448.8
Claims on Central Government	6,180.9	7,101.9	7,115.1	7,784.8	8,825.6	8,138.8	10,699.2	10,361.7	10,918.5	11,189.3	11,067.8	10,719.6	10,977.0	11,483.8
Less Liabilities to Central Government	4,350.3	4,348.0	4,659.1	5,068.4	4,852.9	4,485.5	5,518.2	4,719.3	4,705.4	4,853.3	5,633.8	4,971.8	4,938.3	6,035.0
Claims on Other Sectors	11,436.6	12,071.8	12,792.6	14,119.7	16,111.7	16,241.3	16,355.9	16,442.6	16,582.3	16,749.7	17,049.6	16,900.2	16,828.3	17,035.0
Other Financial Corporations	46.5	59.1	57.3	17.6	48.7	50.2	32.9	45.8	44.8	76.1	73.0	52.1	42.1	45.4
State and Local Government	1.2	2.0	1.4	1.1	0.9	0.9	2.0	2.0	1.9	2.0	2.0	1.9	1.6	1.3
Public Non Financial Corporations	37.7	31.9	52.0	47.1	102.2	109.2	111.9	115.5	119.6	124.3	124.8	129.1	129.5	134.2
Private Sector	**11,351.2**	**11,978.9**	**12,681.9**	**14,053.9**	**15,959.9**	**16,081.0**	**16,209.0**	**16,279.3**	**16,416.0**	**16,547.4**	**16,849.8**	**16,717.0**	**16,655.0**	**16,854.2**
Of which: Loans	11,338.4	11,977.9	12,678.7	14,049.4	15,930.2	16,058.0	16,185.9	16,249.4	16,385.8	16,521.0	16,828.0	16,695.6	16,636.1	16,814.0
Other Items(Net)	-6,391.0	-7,365.9	-7,971.8	-9,039.5	-9,549.8	-9,754.4	-9,672.7	-9,956.0	-10,268.6	-10,130.9	-9,450.4	-9,875.9	-10,213.6	-10,363.2
Shares and Other Equity	7,063.3	7,780.5	8,056.6	9,047.4	9,019.3	8,959.8	9,013.0	9,029.6	9,458.5	9,462.4	9,445.3	9,556.3	9,714.3	9,969.8
Consolidation Adjustments	32.2	0.9	-66.3	-70.9	-129.9	-26.6	-90.3	-237.2	-55.1	-51.4	-48.9	-17.0	-118.8	-162.2
Other Items(net)	640.1	413.7	151.1	78.8	-400.6	-768.1	-569.4	-689.2	-755.0	-617.2	43.8	-302.7	-380.5	-231.1
Broad Money-M3	16,520.5	17,786.0	20,171.3	22,750.0	24,405.0	23,880.9	25,334.2	25,152.6	25,977.5	26,417.2	27,108.9	26,874.8	27,201.8	27,448.8
Foreign Currency Deposits	**5,281.3**	**5,471.7**	**5,920.5**	**6,780.3**	**7,126.0**	**7,087.5**	**7,465.3**	**7,150.0**	**7,458.5**	**7,419.0**	**7,752.3**	**7,517.8**	**7,714.1**	**7,947.9**
Broad Money-M2	11,239.2	12,314.2	14,250.8	15,969.7	17,279.0	16,793.4	17,868.9	18,002.7	18,519.0	18,998.3	19,356.6	19,357.0	19,487.7	19,500.9
Other Deposits-Local Currency	**4,527.9**	**5,153.0**	**6,109.7**	**6,524.1**	**7,260.6**	**7,191.5**	**7,449.7**	**7,490.0**	**7,837.2**	**7,938.2**	**7,910.2**	**7,889.0**	**8,063.8**	**8,016.4**
Narrow Money-M1	6,711.2	7,161.2	8,141.0	9,445.7	10,018.4	9,601.9	10,419.2	10,512.7	10,681.9	11,060.1	11,446.4	11,468.0	11,424.0	11,484.6
Transferable Deposits-Local Currency	3,963.0	4,240.9	4,812.4	5,685.5	6,025.1	5,688.2	6,265.1	6,422.4	6,486.1	6,586.9	6,757.7	6,839.9	7,051.5	6,983.0
Currency Outside Depository Corporations	2,748.3	2,920.3	3,328.7	3,760.2	3,993.2	3,913.6	4,154.1	4,090.2	4,195.8	4,473.2	4,688.7	4,628.1	4,372.4	4,501.6

Note: The Depository Corporations Survey in

Source: Bank of Uganda.

Table 35: Structure of interest rates 2015-2019

		Bank of Uganda		Treasury Bills			Commercial Banks shilling denominated				
		Rediscount rate	Commercial Banks	91 Days	182 Days	364 Days	Deposit Rates (Weighted Average)	Demand Deposits	Savings Deposits	Time Deposits (7-12 months)	Lending Rates
Calendar Year											
2016		18.9	19.9	14.4	15.1	14.9	4.2	2.0	3.5	13.2	23.9
2017		14.5	15.5	9.9	10.3	10.8	2.8	1.7	3.1	9.7	21.3
2018		13.3	14.3	9.2	10.0	10.5	2.9	1.4	3.5	9.4	19.8
2019						10.5	3.9	1.6	3.1	10.1	19.9
Fiscal Year											
2014/15		14.3	15.3	11.1	12.4	12.6	2.9	1.6	3.0	10.5	21.6
2015/16		20.2	21.2	16.0	17.1	16.6	3.7	1.6	3.5	14.4	24.0
2016/17		16.3	17.3	12.2	12.7	13.1	3.6	2.0	3.2	11.4	22.6
2017/18		13.4	14.4	8.6	8.8	9.2	2.9	1.5	3.5	8.9	20.3
2018/19						11.3	3.3	1.5	3.6	10.1	19.9
Monthly											
2016	Jan	21.0	22.0	18.2	19.8	19.7	4.1	1.5	3.2	17.3	24.3
	Feb	21.0	22.0	18.7	20.0	19.1	3.3	1.4	3.2	16.1	25.2
	Mar	21.0	22.0	15.1	15.7	14.4	3.4	1.5	3.2	13.7	24.4
	Apr	20.0	21.0	13.7	14.1	13.6	4.2	1.9	3.7	12.4	24.2
	May	20.0	21.0	13.5	14.3	13.9	4.5	2.0	3.6	13.6	24.5
	Jun	19.0	20.0	13.9	14.8	14.9	4.1	1.9	3.7	12.2	23.5
	Jul	19.0	20.0	14.3	14.4	14.8	4.9	2.7	3.5	13.0	23.9
	Aug	18.0	19.0	13.9	14.2	14.4	4.5	2.3	3.5	12.9	24.3
	Sep	18.0	19.0	13.1	14.0	13.8	4.4	2.3	3.6	11.9	23.7
	Oct	17.0	18.0	13.0	13.5	13.3	4.1	2.1	3.3	11.5	22.8
	Nov	17.0	18.0	13.0	13.3	13.1	4.6	2.3	3.7	12.0	23.1
	Dec	16.0	17.0	13.0	13.6	13.7	3.9	1.9	3.7	12.1	22.7
2017	Jan	16.0	17.0	12.9	13.5	13.2	3.1	1.9	2.8	11.8	22.4
	Feb	15.5	16.5	12.4	12.4	12.2	2.6	1.7	2.6	11.4	23.1
	Mar	15.5	16.5	10.8	11.4	12.2	3.0	1.8	3.0	10.3	22.5
	Apr	15.0	16.0	9.8	11.0	12.1	2.9	1.7	2.9	10.9	20.5
	May	15.0	16.0	10.1	10.9	12.0	2.7	1.7	3.0	9.9	21.0
	Jun	14.0	15.0	10.1	10.9	12.0	2.5	1.6	2.3	8.9	21.1
	Jul	14.0	15.0	9.5	9.8	10.4	2.9	1.7	3.4	9.3	20.9
	Aug	14.0	15.0	9.3	9.5	10.0	3.0	1.7	3.5	9.3	22.3
	Sep	14.0	15.0	9.2	9.1	9.5	3.0	1.5	3.6	9.0	20.9
	Oct	13.5	14.5	8.7	8.7	8.6	2.7	1.5	3.5	8.8	19.0
	Nov	13.5	14.5	8.3	8.3	8.5	2.6	1.5	3.6	8.6	21.4
	Dec	13.5	14.5	8.0	8.0	8.3	2.7	1.5	3.5	8.2	20.3
2018	Jan	13.5	14.5	8.2	8.0	8.3	2.9	1.6	3.6	9.0	20.3
	Feb	13.0	14.0	8.2	8.4	8.6	3.0	1.5	3.6	8.2	21.1
	Mar	13.0	14.0	8.3	8.4	8.7	2.9	1.5	3.5	8.8	20.1
	Apr	13.0	14.0	8.3	8.7	8.9	3.2	1.5	3.5	9.1	20.0
	May	13.0	14.0	8.3	8.8	9.2	2.7	1.3	3.5	8.8	20.2
	Jun	13.0	14.0	9.2	10.2	11.2	2.6	1.3	3.5	9.3	17.7
	Jul	13.0	14.0	9.9	11.0	12.7	2.8	1.3	3.5	9.2	19.2
	Aug	13.0	14.0	9.9	11.0	12.4	2.7	1.3	3.6	9.3	19.0
	Sep	13.0	14.0	9.4	10.9	10.9	2.7	1.4	3.5	9.7	19.6
	Oct	14.0	15.0	10.7	11.8	12.1	3.1	1.3	3.5	9.7	20.4
	Nov	14.0	15.0	10.4	11.5	11.6	3.0	1.4	3.5	10.4	20.5
	Dec	14.0	15.0	10.1	11.0	11.5	2.7	1.3	3.5	11.2	20.1
2019	Jan	14.0	15.0	10.2	11.2	11.6	3.3	1.4	3.6	10.9	21.4
	Feb	14.0	15.0	9.3	10.2	10.3	2.7	1.4	3.6	9.9	21.1
	Mar	14.0	15.0	9.4	10.1	11.1	3.7	2.5	3.9	10.3	19.2
	Apr	14.0	15.0	9.2	10.0	10.3	5.0	2.4	3.9	10.7	19.8
	May	14.0	15.0	8.4	10.1	10.3	3.7	1.3	3.5	10.5	19.6
	Jun	14.0	15.0	9.0	10.1	10.3	4.0	1.3	3.4	10.0	19.0
	Jul	14.0	15.0	9.2	10.0	10.3	4.7	1.4	3.3	10.3	21.4
	Aug	14.0	15.0	8.5	10.1	10.4	4.0	1.4	2.5	10.1	20.2
	Sep	14.0	15.0	8.3	10.0	10.3	3.9	1.4	2.5	9.8	19.8
	Oct	13.0	14.0	8.0	9.6	10.1	4.0	1.5	2.5	9.7	19.8
	Nov	13.0	14.0	8.1	9.8	10.4	4.2	1.5	2.4	9.5	18.3
	Dec	13.0	14.0	8.9	10.4	11.1	4.1	1.5	2.4	9.7	18.8
2020	Jan	13.0	14.0	9.2	10.5	12.0	4.1	1.5	2.4	10.4	19.9
	Feb	13.0	14.0	9.0	10.1	11.2	4.2	1.4	2.4	10.1	19.1
	Mar	13.0	14.0	9.0	10.2	11.8	4.2	1.5	2.4	10.1	17.8
	Apr	12.0	13.0	9.0	10.9	11.4					

Note: (i) Treasury bill rates refer to monthly average annualised discount rates

(ii) Commercial banks rates are weighted averages

Source: Bank of Uganda.

Table 36: Foreign Exchange Rates 2016 - 2019 (Uganda Shillings per US$)

		Bureau Weighted Average			
		Buying Rate	Selling Rate	Bureau Middle Rate	Official Middle Rate
Calendar Year					
2016		3,406.55	3,421.89	3,414.22	3,420.45
2017		3,596.27	3,642.80	3,619.53	3,611.36
2018		3,707.20	3,730.49	3,718.84	3,727.79
2019		3,689.95	3,708.54	3,699.24	3,703.98
Financial Year					
2015/16		3,428.44	3,445.55	3,436.99	3,442.96
2016/17		3,514.72	3,562.66	3,538.69	3,528.30
2017/18		3,643.17	3,663.31	3,653.24	3,658.72
2018/19		3,717.28	3,736.90	3,727.09	3,736.82
Monthly					
2016	Jan	3,426.09	3,443.56	3,434.82	3,451.21
	Feb	3,414.59	3,431.04	3,422.82	3,435.11
	Mar	3,354.37	3,368.22	3,361.30	3,365.50
	Apr	3,332.43	3,343.46	3,337.94	3,343.57
	May	3,337.36	3,355.41	3,346.39	3,348.92
	Jun	3,357.22	3,370.80	3,364.01	3,367.99
	Jul	3,357.11	3,388.31	3,372.71	3,379.29
	Aug	3,363.44	3,375.51	3,369.47	3,373.54
	Sep	3,372.80	3,382.79	3,377.79	3,381.41
	Oct	3,428.11	3,440.18	3,434.14	3,435.85
	Nov	3,551.87	3,564.71	3,558.29	3,560.62
	Dec	3,583.23	3,598.72	3,590.98	3,598.17
2017	Jan	3,575.35	3,630.42	3,602.88	3,609.48
	Feb	3,566.65	3,889.01	3,727.83	3,585.35
	Mar	3,589.02	3,608.82	3,598.92	3,599.01
	Apr	3,604.81	3,655.92	3,630.36	3,618.70
	May	3,601.56	3,623.96	3,612.76	3,623.61
	Jun	3,582.74	3,593.62	3,588.18	3,591.10
	Jul	3,585.58	3,593.60	3,589.59	3,601.53
	Aug	3,595.98	3,612.04	3,604.01	3,606.03
	Sep	3,584.33	3,593.99	3,589.16	3,599.87
	Oct	3,625.41	3,639.76	3,632.58	3,637.91
	Nov	3,629.96	3,639.22	3,634.59	3,638.85
	Dec	3,613.84	3,633.20	3,623.52	3,623.26
2018	Jan	3,632.14	3,645.00	3,638.57	3,640.05
	Feb	3,621.09	3,642.85	3,631.97	3,637.56
	Mar	3,643.30	3,661.28	3,652.29	3,660.12
	Apr	3,687.84	3,700.69	3,694.27	3,697.24
	May	3,672.79	3,752.88	3,712.84	3,726.84
	Jun	3,825.76	3,845.15	3,835.46	3,840.48
	Jul	3,744.89	3,766.63	3,755.76	3,760.44
	Aug	3,715.38	3,732.80	3,724.09	3,729.53
	Sep	3,779.16	3,799.28	3,789.22	3,800.68
	Oct	3,768.59	3,780.07	3,774.33	3,777.98
	Nov	3,711.76	3,741.70	3,726.73	3,739.77
	Dec	3,683.69	3,697.54	3,690.62	3,714.13
2019	Jan	3,691.42	3,703.72	3,697.57	3,702.43
	Feb	3,661.04	3,672.66	3,666.85	3,672.89
	Mar	3,665.20	3,711.62	3,688.41	3,706.19
	Apr	3,721.78	3,735.39	3,728.58	3,736.98
	May	3,750.64	3,765.15	3,757.90	3,765.63
	Jun	3,713.85	3,736.23	3,725.04	3,728.99
	Jul	3,686.98	3,699.54	3,693.26	3,696.49
	Aug	3,681.97	3,696.02	3,689.00	3,693.73
	Sep	3,667.01	3,682.43	3,674.72	3,675.50
	Oct	3,684.54	3,703.64	3,694.09	3,695.84
	Nov	3,688.03	3,698.54	3,693.29	3,697.44
	Dec	3,666.88	3,697.55	3,682.22	3,676.48
2020	Jan	3,666.77	3,681.73	3,674.25	3,680.79
	Feb	3,663.81	3,678.05	3,670.93	3,676.85
	Mar	3,751.37	3,768.60	3,759.99	3,772.91

Notes:

(1) Data reported is on period averages basis.

(2) The weighted average inter-bank mid-rate is the official mid-rate

Source: Bank of Uganda

Table 37: Census Population by Sex and 2014-2021 Midyear Population Estimate

Year	Male	Female	Total
2014*	16,979,700	17,495,900	34,475,600
2015	17,344,000	18,158,100	35,502,100
2016	17,926,900	18,725,800	36,652,700
2017	18,527,900	19,311,000	37,838,900
2018	19,146,800	19,912,200	39,059,000
2019	19,780,500	20,527,500	40,308,000
2020	20,427,800	21,155,800	41,583,600
2021	21,088,600	21,797,300	42,885,900

Note: The 2014 shows census figures from National Population Housing Census 2014.*

Source: Uganda Bureau of Statsitics

Table 38: Census Population (2002 and 2014) by Region, District and Projected (2018 - 2020) Mid Year Population

	Census Population		Mid Year Projected Population		
Region	**2002**	**2014**	**2018**	**2019**	**2020**
Central					
KALANGALA	34,766	54,293	62,500	64,800	67,200
KAMPALA	1,189,142	1,507,080	1,620,600	1,650,800	1,680,600
KIBOGA	108,897	148,218	163,100	167,100	171,200
LUWERO	341,317	456,958	500,200	511,900	523,600
MASAKA	228,170	297,004	322,200	328,900	335,700
MPIGI	187,771	250,548	273,900	280,300	286,600
MUBENDE	222,370	412,804	501,900	527,800	554,800
MUKONO	423,052	596,804	664,300	682,800	701,400
NAKASONGOLA	127,064	181,795	203,400	209,300	215,200
RAKAI	205,955	291,431	303,300	310,500	317,700
KYOTERA	198,371	224,878	253,700	257,400	261,000
SSEMBABULE	180,045	252,597	280,700	288,400	296,100
KAYUNGA	294,613	368,062	394,000	400,900	407,700
WAKISO	907,988	1,997,418	2,563,800	2,735,100	2,915,200
LYANTONDE	66,039	93,753	104,600	107,500	110,500
MITYANA	266,108	328,964	351,100	356,800	362,500
NAKASEKE	137,278	197,373	221,300	227,900	234,600
BUIKWE	329,858	422,771	456,300	465,200	474,100
BUKOMANSIMBI	139,556	151,413	154,900	155,800	156,600
BUTAMBALA	86,755	100,840	105,500	106,700	107,800
BUVUMA	42,483	89,890	114,000	121,300	128,900
GOMBA	133,264	159,922	169,100	171,400	173,800
KALUNGU	160,684	183,232	190,500	192,400	194,100
KYAKWANZI	120,575	214,693	257,600	270,000	282,800
LWENGO	242,252	274,953	285,400	288,100	290,500
KASSANDA	201,052	271,544	298,200	305,400	312,700
Sub Total	**6,575,425**	**9,529,238**	**10,816,100**	**11,184,500**	**11,562,900**
Western					
BUNDIBUGYO	158,909	224,387	249,900	256,800	263,800
BUSHENYI	205,671	234,443	243,700	246,100	248,300
HOIMA	198,833	305,531	349,600	361,800	374,500
KABALE	194,939	230,609	242,500	245,600	248,700
KABAROLE	229,852	298,989	324,300	331,100	337,800
KASESE	523,033	694,987	758,900	776,100	793,200
KIBAALE	69,196	140,947	176,600	187,200	198,200
KISORO	220,312	281,705	303,700	309,600	315,400
MASINDI	208,420	291,113	323,100	331,800	340,500
MBARARA	229,515	344,904	374,700	382,800	390,700
RWAMPARA	131,962	127,725	138,700	141,600	144,600
NTUNGAMO	379,987	483,841	521,100	531,100	540,800
RUKUNGIRI	275,162	314,694	327,400	330,700	333,800
KAMWENGE	155,935	270,668	311,900	323,600	335,200
KITAGWENDA	107,795	143,786	165,800	171,800	178,300
KANUNGU	204,732	252,144	268,700	273,000	277,300
KYENJOJO	266,246	422,204	488,000	506,500	525,400
BULIISA	63,363	113,161	136,000	142,500	149,300
IBANDA	198,635	249,625	267,700	272,600	277,300
ISINGIRO	316,025	486,360	556,700	576,300	596,400
KIRUHURA	212,219	177,054	173,100	179,200	185,700
KAZO	100,630	151,023	203,000	210,400	217,600
BUHWEJU	82,881	120,720	135,700	139,900	144,100
KIRYANDONGO	187,707	266,197	296,800	305,300	313,800
KYEGEGWA	110,925	281,637	378,600	408,700	441,000
MITOOMA	160,802	183,444	190,800	192,600	194,300
NTOROKO	51,069	67,005	72,900	74,500	76,000
RUBIRIZI	101,804	129,149	138,900	141,500	144,100
SHEEMA	180,234	207,343	216,100	218,400	220,500
KAGADI	228,329	351,033	401,700	415,800	430,200
KAKUMIRO	108,357	293,108	402,100	436,500	473,400
RUBANDA	172,780	196,896	204,600	206,600	208,500
RUKIGA	90,599	100,726	103,800	104,700	105,400
BUNYANGABU	127,062	170,247	186,400	190,700	195,100
KIKUUBE	144,785	267,455	324,700	341,300	358,700
Sub Total	**6,398,705**	**8,874,860**	**9,958,200**	**10,264,700**	**10,577,900**

Source: Uganda Bureau of Statistics

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