PRIVATE SECTOR DEVELOPMENT PROGRAMME

Annual Budget Monitoring Report

Financial Year 2023/24

October 2024

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
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ABBREVIATIONS AND ACRONYMS

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

UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
URBRA	Uganda Retirements Benefits Regulatory Authority
USADF	United States African Development Foundation
USD	United States Dollar
UWRSA	Uganda Warehouse Receipt System Authority
UWRTI	Uganda Wildlife Research and Training Institute

FOREWORD

At the start of the Financial Year 2023/24, the Government of Uganda outlined strategies to restore the economy back to the medium -term growth path and improve competitiveness. The strategic interventions that were prioritized under various programmes included: roads under Integrated Transport; electricity under the Sustainable Energy Development; irrigation under Agro-Industrialization; Industrial parks under Manufacturing; support to medical schools and science-based research and development under Human Capital Development; as well as oil and gas among others.

Annual programme assessments have been made, and it has been established that performance was fairly good. This implies that programmes are on track, but with a lot of improvements required. To that effect, I urge you to critically review the findings of the performance reports with a view to improving effectiveness in implementation of activities going forward. These monitoring findings form a very important building block upon which programmes can commence the reflective exercises.

The government has embarked on the 10-fold growth strategy that demands for enhanced efficiency and effectiveness within programmes. We cannot afford to have fair performance scores hence forth, as this will jeopardize the prospects of doubling the economic growth rates in the medium term.

Ramathan Ggoobi
Permanent Secretary/ Secretary to the Treasury

EXECUTIVE SUMMARY

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

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

This summary highlights the performance under the two sub-programmes - Enabling Environment; and Institutional and Organizational Capacity for the period 1st July 2023 to 30th June 2024.

Overall Performance

The PSD performance was good at 71.7%. The strengthening private sector institutional and organizational capacity subprogramme registered good performance at 75.6% while the enabling environment sub-programme performed fairly at 67.8%.

The approved budget for the PSD Programme for Financial Year (FY) 2023/24 was Ug shs 1,911.06 billion (bn) which was revised upwards to Ug shs 1,998.28bn. A total of Ug shs 1,742.43bn (91.2%) was released and Ug shs 1,663.71bn (87.1%) spent by 30th June 2024. The release and expenditure performance were good. The external funding posted poor release and absorption at 47.8% and 51.1% respectively.

Enabling Environment Sub-programme

The sub-programme performance was fair at 67.8%. Eleven interventions were monitored and two interventions had very good performance, three had good performance while six had fair performance.

Under the Parish Development Model (PDM) financial inclusion pillar, a cumulative total of 10,585 PDM SACCOs were established national wide. A total of Ug shs 1,058.9bn was processed as government capitalisation of PDM SACCOs. Technical support was provided to all Local Governments on the implementation and disbursement of the parish revolving funds. The Parish Development Model Information System (PDMIS) was fully rolled out to provide a trail of accountability.

Under the Microfinance Support Centre (MSC) services, a total of Ug shs 37.034bn was disbursed to 436 clients of which Ug shs 26.386bn was to 280 clients under conventional financing, and Ug shs 10.65bn to 156 client projects under Islamic finance. Additionally, seed capital amounting to Ug shs 12.5bn was disbursed by the MSC benefiting 625 Emyooga SACCOs against a target of 600.

The Enterprise Uganda engaged 2,737 entrepreneurs in the weekly business recovery online series via the Zoom platform. A total of 235 private and public Business Development Services (BDS) providers were supported with Training of Trainers for PDM while 5,320 MSMEs received entrepreneurship and business management training.

The construction of the National Business Development Services Centre in Butabika under Enterprise Uganda progressed to 76% albeit behind schedule. The tourism licensing and taxation framework for the Ministry of Tourism, Wildlife and Antiquities (MoTWA) was developed, alongside capacity for tourism associations.

Under the Uganda Investments Authority (UIA), eighteen green growth projects were licensed with a planned value of USD 83.2 million and a potential to create 702 jobs. In addition, 198 companies were facilitated with aftercare services. There was a reduction in the cost and time of registering business to 24hrs to enable investors to quickly register their establishments. A robust monitoring and evaluation tool to track the status of investment in the country was developed.

The United States African Development Fund (USADF) obligated six new farmer organizations against the annual target of 15. This raised the portfolio of the beneficiary grantees to 29 that were running during the period under review. The 29 grantees had a total commitment of Ug shs 16.6 bn. There were 15 additional grantees that were at varying levels of approval. Two (2) international supplier-buyer relationships and 27 local supplier-buyer relationships were established by the grantees.

A total of 2,409 jobs were created/sustained against a target of 25,000 during the period under review. The implementation of the project was slow with most of the beneficiary co-operatives receiving funds late in the second quarter of the financial year. This was due to delayed approval of the budget by the USA government, leadership change at USADF office and staff turnover at the Uganda Development Trust (UDET) - the implementing partners.

The Foreign Exchange (Amendment) Act was passed and the attendant regulations were developed. Two sets of the Microfinance Deposit-Taking Institutions (MDI) Regulations were issued to operationalise the MDI (amendment) Act of 2023. The Development Finance Institutions policy was reviewed and the development of the legal and regulatory framework of unclaimed financial assets was ongoing.

Under the Enhancing Growth and Productivity Opportunities for Women Enterprises (GROW) project, five banks were approved to offer loans and grants. The approved banks were; Post Bank, Centenary Bank, Finance Trust Bank, Equity Bank and DFCU Bank.

The Bank of Uganda through the Small Business Recovery Fund (SBRF) disbursed a total of Ug shs 16.511bn to 983 beneficiaries through the participating financial institutions (PFIs) across the country. Opportunity Bank had the highest number of beneficiaries (779) while Finance Trust Bank had the least beneficiaries (04). The central region had the highest number of SBRF beneficiaries with 717, and the Northern and Eastern regions had 45 and 41 beneficiaries respectively.

There was a slight improvement in the uptake of the SBRF compared to the previous financial years. Limited information and the requirement for land titles as collateral security was still hindering the uptake of the funds.

The Uganda Free Zones Authority (UFZA) attracted six private developers and operators against the annual target of 20. The agency received ten new applications. A total of USD 261,916,087 value of investment was generated during the review period against an annual target of USD 200 million. Three new free zone licences were issued and 1,702 new jobs were created against a target of 10,000 jobs.

The construction of the Entebbe International Airport Free Zone progressed to 69.4% and was behind schedule. The key pending works included external works at the control tower, gate house, weigh bridge, compound paving and concrete works.

The infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve was behind schedule at 53.5% against 77.2%-time progress, and 51% financial progress. The slow progress was attributed to the delayed purchase of land for the Solid Waste Treatment Plant (SWTP) and SME Park, and delay in renewing the UKEF financing facility which affected Contractor's cash flows.

The redevelopment, retooling and modernization of the Uganda Wildlife Education Centre (UWEC), in Entebbe progressed to 80% against 83%-time progress. The reconstruction, expansion and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese progressed to 95%. The completion of the Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel, training school and other related facilities in Jinja were at 79% progress.

The UNBS conducted 2,453 market inspections against a target of 9,000 leading to 246 seizures of substandard and uncertified goods/products with most seizures in the Central region and the least in the Eastern region. Foods and beverages were the most non-conforming products followed by construction materials, and cosmetics. A total of 210 standards were developed by the UNBS against an annual target of 200. A total of 7,117 equipment were calibrated against a target of 1,500. A total of 1251 certification permits were issued to Micro, Small and Medium Enterprise (MSMEs), across all regions of the country.

Private Sector Institutional and Organizational Capacity Sub-programme

The subprogramme performance was good at 75.6%. The intervention of; increase access to affordable credit largely targeting MSMEs had a very good performance at 99%, while the intervention of develop and implement a holistic local content policy, legal and institutional framework was fair at 50% performance.

In terms of capitalization of institutions and financing schemes, a total of Ug shs 95.35bn was disbursed against a target of Ug shs 100bn to capitalise Uganda Development Bank, Post Bank, the Uganda Agricultural Insurance scheme (government subsidy), and the Agricultural Credit Facility. The Ministry of Trade, Industry and Cooperatives (MTIC) conducted an assessment of production and potential on cotton, textiles, and garments value chain in the districts of Koboko, Arua, and Nebbi.

To facilitate economic integration and market access, meetings were attended at the Common Market for Eastern and Southern Africa Free Trade Area (COMESA FTA). Tripartite negotiations for the East African Community (EAC) –COMESA - Southern African Development Community (SADC), Africa Continental Free Trade Area and the World Trade Organisations (WTO) meetings were attended and the national positions were given.

The MTIC engaged officials and businesses conducting hire purchase business to reduce exploitation of customers buying goods on hire purchase and increase compliance with the hire purchase Law. Sections of the Tobacco (control and marketing) Act, 1967 were identified and reviewed to develop draft principles for the repeal of those sections.

The Enterprise Uganda offered coaching, mentoring and advisory services to managers on modern business management skills, and good corporate governance principles for effective business growth. Other topics include making business plans, financial literacy, resource mobilization, business registration and record keeping.

The Competition bill and the trade remedies bill were passed by Parliament and development of the draft competition regulations was in the final stages. The draft principles of the trade remedies bill were developed and a draft regulatory impact assessment of the trade remedies bill was developed in consultation with relevant stakeholders. A draft constitution for an Apex private sector body was developed in consultation with relevant private sector organizations and a Cabinet memo for a bill for the Federation of Uganda chamber of commerce and industry was developed and submitted to Cabinet secretariat for review.

The UIA licensed 328 projects worth USD 10.51 billion and planned employment of 38,083 jobs during the period, and also organized 78 inward investment exploratory missions to Uganda.

Conclusion

Strides were made in the area of increasing non-commercial lending to the private sector in key growth sectors especially agriculture through the capitalisation of UDB, Post Bank, MSCL and the Uganda Agricultural Insurance scheme. The PDM SACCOs and other small businesses were established and supported to recover from the after effects of COVID-19 through the SBRF, and Emyooga. However, there was limited popularisation and uptake of some of these products.

A number of bills and regulations were passed by Parliament to facilitate private sector development.

All the infrastructure related outputs aimed at facilitating private sector growth progressed at rather slow pace and most of them were behind schedule posing a risk of time and cost overruns. The delayed completion of infrastructure that promote production and quicken business processes such as serviced industrial parks and the export processing zone hinders the achievement of the set NDP III targets under the PSD Programme.

Recommendations

1. The BOU and participating financial institution should continue to popularise the SBRF to potential beneficiaries including special interest groups such as youths and women to ensure increased uptake.
2. The MFPED should provide the necessary counterpart funding to UIA to meet the financial obligations of the Owner's Engineer and Project Management Team under the KIBP.
3. The KIBP Steering Committee should take a more vigilant oversight role in the implementation of the project by holding periodic meetings to address the concerns from the stakeholders.
4. The Project coordination committee for the USADF project should guide on the tax levied on vehicles and motorcycles following the change of ownership policy from USADF to individual cooperative organisations to avoid time overruns.
5. The UIA, UFZA and CEDP should expedite the completion of civil works to avoid further delays, cost overruns and missed opportunities.

CHAPTER 1: INTRODUCTION

1.1 Background

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

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

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

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

This report presents findings from monitoring of the Private Sector Development (PSD) Programme for the budget execution period 1st July 2023 to 30th June 2024.

1.2 Programme Goal and Objectives

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

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

1.3 Sub-programmes

The PSD Programme is implemented through the following sub-programmes:

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

1.4 Programme Outcome Result Areas

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

i. Reduce the informal sector from 51 percent in 2018/19 to 45 percent in 2024/25.
ii. Increase non-commercial lending to the private sector in key growth sectors, from 1.5 percent in FY 2018/19 to 3 percent of gross domestic product (GDP).
iii. Increase the proportion of public contracts and sub-contracts that are awarded to local firms, from 30 percent to 80 percent.
iv. Increase the value of exports from USD 3,450.7 million in FY2017/18 to USD 4,973 million.

CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report is based on interventions under the PSD Programme implemented during FY 2023/24. The monitoring involved analyzing and tracking of inputs, activities, processes and outputs as identified in the Programme Implementation Action Plans (PIAPs), Ministerial Policy Statements (MPSs), and annual and quarterly work plans, progress and performance reports of Ministries, Departments, Agencies (MDA), and Local Governments (LGs).

A total of 12 (80%) out of 15 interventions under the PSD Programme Implementation Action Plan were monitored (ANNEXES

Annex 1: **Interventions Monitored**).

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

i. Significant contribution to the programme objectives and national priorities.
ii. Level of investment; interventions that had higher allocation of funds were prioritized.
iii. Planned outputs whose implementation commenced in the year of review, whether directly financed or not. In some instances, multiyear investments or rolled-over interventions were prioritized.
iv. Interventions that had clearly articulated gender and equity commitments in the policy documents
v. Completed projects to assess beneficiary satisfaction, value for money and intermediate outcomes.

2.2 Approach and Methods

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

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

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

2.3 Data Collection and Analysis

Data collection

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

i) Literature review from key policy documents including, MPS FY 2023/2024; National and Programme Budget Framework Papers; A Handbook for Implementation of

NDPIII Gender and Equity Commitments, PIAPs, third National Development Plan (NDP III), quarterly progress reports and work plans for the respective implementing agencies, quarterly performance reports, the Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, project reports, strategic plans, policy documents, aide memoires and evaluation reports for selected programmes/projects.

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

Primary data collection methods on the other hand included:

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

Data Analysis

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

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

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

Financial performance was assessed based on the overall utilization of funds (expenditure) against release.

Table 2.1: Assessment Guide Measure Performance in FY 2023/24

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

Source: Author's Compilation

2.4 Limitations

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

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

iii) Lack of planned targets for some outputs which affects analysis of performance.

2.5 Structure of the Report

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

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

The PSD programme performance was good at 71.7%. The strengthening private sector institutional and organizational capacity subprogramme registered good performance at 75.6 while the enabling environment sub-programme had a fair performance at 67.8%. (Table 3.1). The good performance was attributed to the good disbursement under PDM financial inclusion pillar which had 56% of the programme budget and capitalisation of financial institutions. The overall outcome indicator performance for the program was good with 35 out of 52 indicators reported on (Annex II and Annex III).

Table 3.1: PSD Programme Physical Performance by 30th June 2024

Sub-programme	Performance (%)	Remark
Enabling Environment	67.8	Fair performance
Strengthening Private Sector Institutional and Organizational Capacity	75.6	Good performance
Average	71.7	Good performance

Source: Field Findings

The approved budget for the programme was Ug shs 1,911.06 bn which was revised upwards to Ug shs 1,998.28bn. A total of Ug shs 1,742.969 bn (91.2%) was released and Ug shs 1,664.050 bn (95.5%) spent by 30th June 2024 (Table 3.2). The release and expenditure performance were very good. The Uganda Export Promotions Board (UEPB) and Uganda Investment Authority (UIA) registered the least absorption. The MFPED had the biggest share of the budget with 92.9% while the NPA had the least at 0.013%. There were no releases reported under the Local Governments for the PSD programme.

Table 3.2: PSD Programme Financial Performance by 30th June 2024 (Ug shs billion)

Vote	Approved Budget (Ug shs bn)	Release (Ug shs bn)	Expenditure (Ug shs bn)	% Budget Released	% Releases Spent
Ministry of Finance, Planning and Economic Development	1,776.85	1,612.59	1,538.48	90.8	95.4
Ministry of Trade, Industry and Co-operatives	2.442	2.378	2.221	97.4	93.4
Ministry of East African Community Affairs	1.731	1.731	1.731	100	100
National Planning Authority	0.25	0.225	0.225	90.0	100
Uganda Registration Services Bureau	9.985	12.973	12.649	129.9	97.5
Uganda Export Promotion Board	8.187	6.993	5.565	85.4	79.6
Uganda Investment Authority	16.044	14.516	12.76	90.5	87.9
Public Procurement & Disposal of Public Assets	1.325	1.325	1.325	100	100
Uganda National Bureau of Standards	53.164	50.939	50.877	95.8	99.9
Uganda Free Zones Authority	11.05	11.049	10.565	100.0	95.6
Uganda Microfinance Regulatory Authority	11.106	10.885	10.875	98.0	99.9

Uganda Retirement Benefits Regulatory	14.587	14.481	13.791	99.3	95.2
Uganda High commission and Embassies[1]	1.506	2.887	2.986	191.7	103.4
Local Governments 07	2.832	0	0	0.0	0.0
Total for the Programme	1,911.06	1,742.97	1,664.05	91.2	95.5

Source: IFMS and PBS

The detailed performance of the monitored intervention under the sub programmes is discussed below:

3.2 Enabling Environment Sub-programme

The sub-programme contributes to the first four PSD Programme objectives. The subprogramme performance was fair at 67.8%. The interventions of develop and publicize a transparent incentive framework that supports local investors and rationalize and harmonize standards institutions, and policies at local and regional level had very good performance. On the other hand, the intervention of Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas, had fair performance. The performance of the monitored interventions ranged between fair and very good as summarized in Table 3.3.

Table 3.3: Performance of Interventions under the Enabling Environment Sub-programme by 30th June 2024

Intervention	Colour code	Remark
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	69	Fair Performance
Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas	50	Fair performance
Strengthening system capacities to enable and harness benefits of coordinated private sector activities	69.6	Fair performance
Increase access to affordable credit largely targeting MSMEs	74.2	Good performance
Increase access to long-term finance	50	Fair Performance
Develop and publicise a transparent incentive framework that supports local investors	95	Very good Performance
Increase accessibility to export processing zones	67	Fair Performance
Develop and implement a holistic local content policy, legal and institutional framework	69.4	Fair Performance
Fully service the industrial parks and increase access to them by the local private players	87.3	Good performance
Address non-financial factors (power, transport, ICT, business processes etc) leading to high costs of doing business	74	Good performance
Rationalize and harmonize standards institutions, and policies at local and regional level;	96	Very good Performance

Source: Field Findings

[1] Uganda High Commission in Tanzania, Uganda Embassy in the United States, Uganda Embassy in Japan-Tokyo, Uganda Embassy in Germany-Berlin, Uganda Embassy in South Sudan-Juba, Uganda Embassy in Turkey-Ankara, and Uganda Embassy in Somalia.

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

The intervention contributes to the objective of strengthening the enabling environment and enforcement of standards. The monitored outputs for FY2023/24 include; investment climate advisory, private sector development services, public enterprises restructuring services, industrialisation acceleration, job creation, and construction of Business Development Services (BDS) Centre in Butabika. The overall intervention performance was fair at 69%.

Investment climate advisory: The plan was to generate and produce trade and investment performance and prospects report for FY 2023/24, Micro-economic Indicator Dashboard (MIND), and competitiveness and investment annual report. By 30th June 2023, four quarterly facts report on trade and investment were produced and twelve (12) MIND reports in FY 2023/24 were prepared and uploaded on the development policy portal (https://development.finance.go.ug/), however, the competitiveness and investment annual report was not produced by end of the FY.

Private Sector Development Services: The National Strategy for Private Sector Development (NSPSD II) annual performance report, the first draft of the annual statistical year book 2023, and draft report on Pan African brands were produced. The CEO database was updated with 300 new CEOs from the 4th bi-annual retreat bringing the cumulative total to 2,088 CEOs. A total of 100 small informal business in Kampala divisions were identified for the pilot Informality Management Interventions for Compliance and Revenue Mobilisation (IMCORE) program. The MFPED prepared the final draft of the corporate Uganda report focusing on commercializing agriculture, agro industrialization, exportation, transport and logistics. The 14th National Competitiveness Forum (NCF) was held with a focus on agro-industrialisation.

Public Enterprises Restructuring Services: The MFPED prepared the public enterprise sector monitoring report for FY 2022/23. They identified public enterprises for re-classification under the public enterprises reform and divestiture (PERD) Act and also prepared the draft bill and principles for the amendment of the PERD Act. The MFPED further participated in oversight of the refurbishment of Kilembe Mines Limited (KML) assets contracted to National Enterprise Corporation (NEC) in preparation for investors. They completed the evaluation report for identifying an investor for Kilembe mines. The public enterprises affected by cross-indebtedness were identifies and assisted with mitigation measures to reduce cross-indebtedness.

The National BDS Centre in Butabika constructed: In 2022, the construction of the National BDS Centre was contracted to M/s Reliable Engineering and Décor Limited and Sheeba Construction (JV) at a contract sum of Ug shs 25.233bn. The contract start date was 20th June 2022 whereas the original end date was 20th February 2024 which was revised to 30th June 2025 including a defects liability period of 365 days.

The scope of works includes: construction of an ultra-modern office (seven-storey high with three floors of basement parking, and four floors of main tower, and external works including paved distributor and access roads, and parking. During the past two years, the sub structure and super structure were substantially completed.

By 30th June 2024, the civil works were estimated at 76% against 77.22%-time progress and 62.9% financial progress. Ongoing works included formwork for the septic tank wall, gatehouse, lower boundary wall beam, tiling, and plastering walls, sanitary fittings on the 3rd floor, gypsum ceiling works, stone pitching and retainer wall works.

The slow progress was attributed to the heavy rains between November and December 2023, variations to the project designs and poor cash flow that caused scaling down of works and poses a risk of cost overruns.

Industrialisation Acceleration and Job Creation: The UIA planned to generate consensus on incentives for diaspora investment, undertake review of investment code to support investments for green growth, and undertake appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote local economic development (LED).

By the end of the FY2023/24, the UIA had held six forums namely: Uganda-South Africa trade, investment and tourism summit, Uganda-UAE forum, EAC - NAM business and investment summit, 3rd Uganda-EU business summit, and the Uganda-Tanzania business forum. A total of 426 investments were licenced with a planned investment value of USD 2bn and 67,911 potential jobs. In addition, 198 companies were facilitated with aftercare services.

Six district investment committees were re-established and re-branded to Local Economic Development Investment Committees (LEDICs). These were in Arua, Gulu, Soroti, Mbale, Ibanda and Kasese. They were oriented, and sensitized on the Terms of Reference (TORs). Eighteen green growth projects were licensed with a planned value of USD 83.2 million and a potential to create 702 jobs. A total of 78 inward investment exploratory missions to Uganda were organised.

The UIA also disseminated and popularized the new investment code to support investments by Special Purpose Vehicles (SPVs). The Uganda diaspora investment forum and the business breakfast (hybrid of physical, TV broadcast and online engagement) were held during the period under review.

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

The intervention aims at strengthening the role of government in unlocking investment in strategic economic sectors. The monitored output under the intervention for FY2023/24 was business development services under the United States African Development Fund (USADF). The overall intervention performance was fair at 50%.

Business Development Services The business development services under this output are provided by the United States-African Development Fund (USADF) through it support to producer organizations. The performance of the USADF is presented hereafter.

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

By 30th June 2024, the USADF obligated six new farmer organizations against the annual target of 15. This raised the portfolio to 29 beneficiaries running during the period under review. The 29 grantees had a total commitment of Ug shs 16.6bn. There were 15 additional grantees that were at varying levels of approval.

Two (2) international supplier-buyer relationships, and 27 local supplier-buyer relationships were established by the grantees. A total of 2,409 jobs were created/sustained against a target of 25,000 during the period under review, of which 68.4% were for males and 31.6% for females.

The implementation of the project was slow with most of the beneficiary co-operatives receiving funds late in the second quarter of the financial year. This was due to delayed approval of the budget by the USA Government, leadership change at USADF office and staff turnover at Uganda Development Trust (UDET) - the implementing partners.

A total of thirteen (13) grantees were monitored during the period under review. These received either capacity building or enterprise expansion grants. The findings on each of these 12 are presented below:

1. Kashaka Dairy Cooperative Society(Mbarara District). The cooperative is composed of 200 members of which 50% are female. The main enterprise is milk and cheese production. The Budget over the three years (2023-2026) is Ug shs 0.917bn of which Ug shs 0.039bn was released and Ug shs 0.037bn spent by 30th June 2024.

The planned activities are: A milk collection and cheese processing facility constructed, a 600-litre cheese production line procured and installed, and a 5-tone refrigerated truck acquired. Others are provision of working capital, trainings on the dairy animal health, breeding, feeding, and reproductive management, cooperative governance and ADF financial, monitoring and evaluation trainings. In addition, the cooperative was to receive accounting software, office equipment, and development of policies and procedures on human resources, accounting, and procurement.

By 30th June 2024, trainings in financial management, monitoring and evaluation, and cooperative governance were completed and five out of six staff were recruited. Office equipment and furniture were procured and delivered. The bid for the milk procession and cheese production facility renovation were opened and handed over to the technical team for evaluation. The structural plans for the building and the environment and impact assessment for the facility were also approved.

The pending activities were trainings in diary animal health, feeding and reproductive management, cheese production system, a truck, milk fund, and technical assistance (UNBS HACCP certification, manual review and development, financial system upgrade, marketing plan development and cheese production technology training. There was no change in the indicators except for the increase in the membership.

The slow progress was attributed to the shortage of staff after the manager resigned in the early stages and the continued quarantine in the area as a result of the outbreak of foot and mouth disease which affected the bulking of milk.

2. Bukawa Area marketing cooperative society ltd (Iganga District). The is a secondary cooperative with eleven primary cooperatives. Its primary product is maize and it is consisted of 1,506 members. The budget for the three years (2021-2024) was Ug shs 0.906bn of which 0.749bn was disbursed and Ug shs 0.694bn spent by end of June 2024.

Maize milling equipment give to Bukawa Area cooperative in Iganga District

The planned activities were; warehouse construction, maize milling equipment and accessories, a 10-ton truck, 2 motorcycles, 10 bicycles, post-harvest handling equipment, office equipment, crop finance, input fund, training, technical assistance and administrative support.

By 30th June 2024, all the planned activities were completed and the unspent funds were for retention to service providers for post-harvest training, and crop finance. A no cost extension was granted to the project until 30th September 2024 to be able to extend power to the site for the processing facility. The poverty probability index was not done and the training on agronomic practices and post-harvest handling was partially done.

A positive change in indicators was recorded on increased membership from 501 at the start to 556 in the third year. Additionally, there was an increase in annual quantity of maize bought from farmers. However, the other targets of sales revenues, and net income were not achieved. This was attributed to the dry spell which affected the harvest and the lack of a UNBS mark on the products to access international markets.

3. Coffee World Limited (Kween District). The cooperative is comprised of 2500 members who are clustered into 38 smaller farmer group and the primary enterprise is coffee. The planned activities were; a wet coffee processing facility constructed, crop finance provided, and fair-trade certification obtained. The approved grant amount for the project (2021-2024) was Ug shs 0.909bn of which Ug shs 0.78bn was released and Ug shs 0.75bn spent by 30th June 2024.

Incomplete Wet coffee facility in Kween

The wet coffee processing facility was substantially constructed and the equipment were procured awaiting installation due to delays in completing civil works for the hulling structure, fencing of the premises and provision of security on site. The contractor had mobilised equipment to completed the fencing with a chain-link. A no cost extension was granted from April 2024 to 30th September 2024 to complete the pending works. All the indicators were surpassed except for the membership.

On the other hand, an audit on one of the three phases of fair-trade certification was completed. The cooperative was working on rectification of the non-conformities that were identified at farm level during the audit before proceeding to next phases. The implementation of this grant was behind schedule.

4. Bakyabumba farmers' cooperative society Ltd(Luwero district). The cooperative has 424 members and the primary enterprise is coffee. The cooperative received a capacity building grant running for three years (2023-2025). The approved grant amount is Ug shs 0.339bn of which Ug shs 0.107 was released and spent. The planned activities were; procurement of office equipment, four trainings, procurement of motorcycles, crop finance, acquire certification for coffee, technical assistance, and administrative support.

By 30th June 2024, all office equipment was delivered and the following trainings were completed; financial reporting, participatory monitoring and evaluation, cooperative governance, and review and development of manuals. The pending activities included; crop finance, establishment of an input shop, procurement of two motorcycles and two trainings of good agronomic practices and post-harvest handling.

Implementation was affected by delayed response to disbursement request from Washington, with some taking up to five months (for crop finance worth Ug shs 50 million and purchase of motorcycles). The lack of transport equipment affected the efficient movement of the extension workers to perform their duties. It was observed that the roles of the board and management were not clearly defined which was creating overlaps and friction and thus affecting performance of the cooperative.

5. Akalo Producers' Cooperative Society Ltd(Kole district). The cooperative is comprised of 460 members (260 females and 200 male) with cassava as the primary enterprise. The cooperative received a capacity building grant for three years (2023-2025). The approved budget was Ug shs 0.315bn of which ug shs 0.037 bn was disbursed and spent. The planned activities were; procurement of office equipment, four trainings, procurement of motorcycles, crop finance, acquire certification for coffee, technical assistance, and administrative support.

Implementation commenced in January 2024 and by the end of June 2024, the following were achieved; Procurement and delivery of all office furniture and equipment, two trainings of financial literacy and monitoring and evaluation, an input shop was established in Akalo Trading Centre and administrative expenses paid for the period.

The pending activities were; improve the auxiliary facilities, crop finance, procurement of two motorcycles, exchange visits, review of manuals, and two trainings of good agronomic practices and post-harvest handling. The project was affected by transport challenges to collect produce from satellite stores, carrying out of extension work, and side selling by members which was affecting the quantities bulked at the cooperative.

6. Agali Farmers' Cooperative Society Ltd(Lira district). The cooperative is made up of 2,942 members (1698 female and 1198 male) with rice as the primary enterprise. The cooperative received a three-year (2021-2024) enterprise expansion grant worth Ug shs 0.822 bn of which Ug shs 0.412 bn was disbursed and Ug shs 0.382 bn spent by 30th June 2024. The project was granted a six month no cost extension from 31st May 2024 to 31st December 2024 to complete the pending activities.

The planned outputs were; warehouse improvement, and procurement of: rice processing equipment, 10-ton truck, and 2 motorcycles; input fund, office equipment, power extension, capacity building farmer digitisation, crop finance and administrative support. Implementation commenced in July 2023.

By 30th June 2024, the following were completed; office equipment and furniture were procured and delivered. The warehouse was renovated. A ten-ton truck and 2 motorcycles were procured and delivered. An input shop was setup. Electricity was extended to the site, and all trainings were undertaken. A community project for the construction of a three bedroomed staff house at Acamonyang primary school was at finishes level. The cooperative was on track to achieve all the indicator targets.

The pending activities include delivery of rice processing equipment (complete rice mill machine and rich shed), financial systems upgrade, crop finance, exchange visits, farmer digitisation, poverty probability index survey and sales and marketing technical assistance. It was observed that members of the board were performing management roles and thus creating acrimony in execution of the grant.

The delayed acquisition of the equipment was affecting the purchase of produce from the members and therefore critical targets and outcome indicators were not met.

7. Aber Kamdini Grains Area Cooperative Enterprise Limited (Oyam district). The cooperative has 2,836 members (1,292 male and 1,544 female). The primary enterprise that was funded is maize. The cooperative was awarded a three-year (2022 - 2024) capacity building grant amounting to Ug shs 0.351bn of which Ug shs 0.299bn was received and Ug shs 0.298bn spent by 30th June 2024. The planned outputs were Equipment purchase-motorised maize shellers, working capital, trainings, technical assistance and administrative support.

By 30th June 2024, the following were achieved; The procurement of office equipment and furniture, 2 motorcycles and 3 motorized maize shellers was completed. The electricity was extended and connected to the facility. An agro-input shop was established. The trainings on monitoring and evaluation, financial management, agronomy and cooperate governance, and stores management were conducted. Funds for crop finance were disbursed and used and accounting software was installed.

Ongoing activities included in-country marketing, review and development of manuals, and pending was a study tour to Manyakabi cooperative society Ltd in Isingiro. The cooperative achieved most of its targets during the period under review and had made profits from use of the crop finance fund.

8. Balandiza Kimeze Bukulula Farmers' Cooperative Society Ltd (Kalungu district) The cooperative has 618 members (426 males and 192 females) with the primary enterprise being coffee. A three-year (2023 - 2025) grant of Ug shs 0.374bn was extended to the cooperative of which 0.082bn was disbursed and Ug shs 0.074 spent by 30th June 2024. The cooperative was at the initial stages of implementation.

The planned outputs were; equipment purchase, working capital, trainings, technical assistance and administrative support. By end of June 2024, the following were achieved; procurement of postharvest handling equipment, office equipment and furniture, and financial and M&E trainings.

Ongoing activities included; procurement of two motorcycles and a 50% of the crop finance was disbursed. The rest of activities had not started including; construction of auxiliary structure, fair trade certification and opening up of an input shop. The cooperative reported that transport of produce from the farmers using hired vehicles was significantly reducing their profit margins.

9. Kasasa Farmers' Cooperative Society Ltd (Kyotera district). The cooperative has 418 members (316 males and 102 females) with coffee as the primary enterprise. The cooperative was awarded a two-year (2023-2025) capacity building grant of Ug shs 0.35bn of which Ug shs 0.18bn was disbursed and Ug shs 0.162 spent by 30th June 2024.

The planned outputs were equipment purchase, working capital, trainings, technical assistance and administrative support. By 30th June 2024, the following outputs were achieved; procurement and installation of two rainwater harvesting tanks, office equipment and furniture, two motorcycles, post-harvest handling equipment, working capital, and input fund provided. The training in good agronomic practices and post-harvest handling, monitoring and evaluation and corporate governance training were completed.

The pending activities were fair trade certification, review of manual, establishment of a nursery bed, business plan development, financial systems upgrade, and trainings in coffee quality and stores management.

The cooperative registered improvement in the indicator target except on the value of principal raw material supplied by farmers. The cooperative was challenged by the taxes on the motorcycles which they had not planned for and delayed response to disbursement requests.

10. Karangura Peak Modern Coffee Farmers' Cooperative Society Ltd (Kabarole district). The society has a membership of 764 (328 females and 436 males) and the primary enterprise is coffee. Having successfully completed the capacity building phase, the cooperative was awarded a three-year (2023 – 2026) enterprise development grant of Ug shs 0.912bn of which Ug shs 0.099 was disbursed and Ug shs 0.090bn spent by 30th June 2024.

The planned outputs were construction of auxiliary block, production hall, pit latrine, a chain link fence, and coffee hulling equipment, training, technical assistance and administrative support.

By 30th June 2024, office furniture and equipment were procured, cooperative governance and financial management trainings were completed. In addition, an accounting software system was installed, an agro input shop was established and crop finance was provided. The pending activities were procurement of coffee processing equipment, construction of the hulling structure, pit latrine and a chain link fence.

11. Bundibugyo Improved Cocoa Farmers' Cooperative Society Ltd (Bundibugyo district). The cooperative has 5,329 members of which 1,908 were female and 3,421 males. The primary enterprise is cocoa. The three-year (2021-2024) grant was for enterprise expansion amounting to Ug sh 0.872bn of which Ug shs 0.827b was disbursed and ug shs 0.793bn spent by 30th June 2024.

The plan was to construct a central cocoa processing unit, warehouse and fermentation unit, crop finance, equipment (truck, motorcycles, and laboratory equipment), post-harvest handling equipment (weighing scales, moisture meters), input shop, farmer digitization, trainings (monitoring and evaluation, financial, cooperative governance, good agronomic practices to famers) and administrative support.

By the end June 2024, all the planned activities were achieved except the procurement of laboratory equipment and furniture, farmer digitization training, and sales and marketing trainings. In addition, four community projects were also implemented namely; three water sources were rehabilitated and a Semi-permanent 4 classroom block at Malomba SDA community primary school was completed and handed over to the beneficiaries.

The cooperative achieved the indicator targets except for annual volume of cocoa purchased from farmers (kgs) and volume of sales in kgs.

12. ***Rwandaro Coffee Farmers' Cooperative Limited (Rubirizi District).*** The group has 1,740 members of whom 557 are females and all dealing in coffee value chain. The budget for the three years (2022-2025) is Ug shs 0.87bn of which Ug shs 0.622bn was release and Ug shs 0.618bn spent by end of the FY2023/24. The planned activities were: a coffee pre-cleaner, grader, de-stoner, huller and color sorter procured and installed, and upgrading the existing coffee factory. Others were; accounting software system installed, agro input and crop finance fund established, and trainings undertaken.

By 30th June 2024, all the trainings ware completed and an accounting system installed. All office equipment and furniture were delivered and were in use. All the farmers were digitalised and the funds for crop finance and input shop were disbursed and in use. The construction and modification of the warehouse to accommodate a coffee processing equipment was substantially complete.

Nearly complete coffee processing structure at Rwandaro Cooperative Society

The equipment was delivered and installation was ongoing with progress at approximately 75%. The cooperative surpassed all the indicator targets reflecting good performance. The cooperative also completed the community project of extending piped water to Nyakiyanja village and Kalagara Primary School to ease access to clean and safe water. The pending activities were, fair trade certification and organic certification.

The cooperative was affected by the reduction in yield from the expected volumes arising from a prolonged dry spell hence a loss to farmers and the society. The increased cost of hulling and coffee handling since the procured equipment were not fully installed was also affecting the profitability of the organisation. The cooperative was directly exporting most of their coffee to Europe and were planning to start value addition activities.

13. Mount Elgon Coffee and Honey Co-operative Society Ltd (Mbale City). The cooperative deals in coffee value chain with a total of 726 members of whom 361 are females. The approved grant for the project over the three years (2022-2024) was Ug shs 0.320bn of which Ug shs 0.310bn was disbursed and spent.

The planned activities are; motorized coffee pulpers and moisture metres procured, organic certification for the coffee beans and quality mark from Uganda National Bureau of Standards obtained, working capital provided, an agro-input store established, and accounting software acquired.

By 30th June 2024, all the planned activities were implemented and the cooperative met all the indicator targets exhibiting very good performance.

Grant challenges

- Inadequate funds allocation to some activities such as fair-trade certification
- Delayed response to disbursement requests (DR) by the secretariat in Washington DC.
- Lack of accurate baseline data for some indicators which affected performance assessment
- Unclear roles between management and boards of some cooperatives that affected timely execution of grants
- Changes in ownership and registration of transport equipment from USADF to individual cooperatives necessitated additional funds for taxes that most cooperatives had not planned for and thus delayed execution.

3.2.3 Strengthening system capacities to enable and harness benefits of coordinated private sector activities

The intervention aims at strengthening the organizational and institutional capacity of the private sector to drive growth. The monitored outputs were; business development services, Microfinance support centre services, PDM financial inclusion pillar, and investment licensing and aftercare service. The intervention performance was fair at 69.6%.

Business Development Services: The plan under Competitiveness and Enterprise Development Project (CEDP) include; procure furniture and ICT equipment, operationalize the Meetings, Incentives, Conventions, and Events (MICE), implement tourism grant and management of ICT systems and infrastructure.

By end of FY2023/24, the tourism licensing and taxation framework for Ministry of Tourism, Wildlife and Antiquities (MoTWA) the capacity for tourism associations was developed. The final report on the Integrated Destination Development Plans (IDDPs) for two priority tourism development areas (TDAs); North-Western and Central with transformative anchor projects to attract private investment were submitted to MoTWA.

To build and strengthen capacity of communities to engage in tourist related activities, training of community members in the selected 2 communities around Queen Elizabeth National Park (QENP) and Bwindi Impenetrable National Park (BINP) was undertaken. The focus was on beekeeping for 10 groups (200 beneficiaries), and on crafts for 5 groups (100 beneficiaries) in both parks.

The Integrated Destination Development Plan (IDDP) for the North Western TDA (Albertine Graben) was developed and plans for the MoTWA to implement the recommendations in the plan were underway. The Tourism Information Management system (TIMs) was developed to completion. The hardware ICT equipment including laptops (30), UPS (1), Network switches, and other assorted ICT equipment were procured and delivered. The procurement process for the equipment for hosting the system (server and storage) was initiated.

The contract for consultancy services to conduct Bespoke training for Professional Conference Organisers (PCOs) and venues was at evaluation stage. The development of the content bank (photography and videography) for MICE and leisure tourism promotion was readvertised due to non-responsiveness of the bidders and was at the evaluation stage. The contract for production of collateral materials was at evaluation stage.

The procurement of furniture and Information Communication Technology (ICT) equipment for tourism officers in 22 sites and selected districts was undertaken. In addition, capacity development in tourism quality assurance for tourism associations, decentralized tourism and quality assurance officers in Central and Northern regions was undertaken.

Microfinance support centre services. The target was to disburse 100% of available credit funds to approximately 800 qualifying clients and projects (Conventional and Islamic financing). By the end of the FY, a total of Ug shs 37.034bn was disbursed to 436 clients of which Ug shs 26.386bn was to 280 clients under conventional financing and Ug shs 10.65bn to 156 client projects under Islamic finance. This was below the annual target of 800 clients.

A total of 34 inactive SACCOs were revived against a target of 50 SACCOs through a comprehensive support strategy including re-educating members and leaders on cooperative benefits. Others were; specialized training in governance, credit management, and bookkeeping, and developing operational manuals and management systems.

PDM Financial Inclusion Pillar. The plan was to provide capacity to PDM SACCOs, establish all PDM SACCOS nationwide, access to quarterly funds by all eligible PDM SACCOs, and develop accountability mechanism for the parish revolving fund.

By 30th June 2024, a total of 10,585 were established national wide and Ug shs 1,058.9 billion was processed as government capitalisation of PDM SACCOs. Additionally, technical support was provided to all Local Governments on the implementation and disbursement of the parish revolving funds. The Parish Development Model Information System (PDMIS) was fully rolled out to provide a trail of accountability data from disbursement at the centre to usage by the last mile beneficiaries.

Support to financial inclusion: The plan was to improve access to financial services, develop, a monitoring and evaluation framework in place, improved financial investment decisions undertaken at local levels, digitalize 50 financial services, and convene the microfinance forum.

By the end of the FY2023/24, the Microfinance Support Centre disbursed seed capital amounting to Ug shs 12.5bn benefiting 625 Emyooga SACCOs against a target of 600 to aid continuous disbursements to beneficiaries. The agency conducted monitoring visits to 823 *Emyooga* SACCOs in fifteen districts of Kapchorwa, Bukwo, Kween, Busia, Tororo, Abim, Bukomansimbi, Bulambuli, Kalaki, Kalungu, Katakwi, Lamwo, Manafwa, Oyam and Rubanda. In addition, five *Emyooga* task force teams in the districts of Kabarole, Kyegegwa, Bundibugyo, Oyam, and Gulu were also monitored.

The MSCL provided training to 20 LG level trainers (Parish chiefs, CDOs, Commercial officers) in Kween DLG, and refresher training was provided to 306 SACCOs and 918 *Emyooga* SACCOs leaders from 5 districts Bukwo, Kapchorwa, Tororo, Kween and Busia. However, the microfinance forum was not convened by end of the FY.

Investment Licensing and Aftercare Service. The plan was to automate and integrate at least 2 key services annually on the e-Biz platform, implement an annual target of 120,000 transactions at the One Stop Centre, re-engineer and improve at least 2 key business processes annually, and improve SLAs, establish a One stop centre for business registration, and licensing warehouse of investment data to promote lower cost of doing business setup.

By the end of the FY, a total of 328 projects worth USD 10.51 billion were licenced with a planned employment of 38,083 jobs. A concept note in collaboration with USAID regarding growing Uganda`s investment ecosystem was developed. The operationalization of District Investment Committees (DICs) and regional BDS services centres was initiated. There was a reduction in the cost and time of registering business to 24 hours.

A monitoring and evaluation tool to track the status of investment in the country was developed and a contract for consultancy services to develop the Web-based Monitoring and Evaluation

Enterprise Resource Planning (MEERP) system was signed. A new module for storing investment license application files was developed. Over 120,000 transactions were processed at the one stop centre.

3.2.4 Increase access to affordable credit largely targeting MSMEs

The intervention contributes to the objective of sustainably lowering the costs of doing business. The monitored outputs for FY2023/24 include: Coordination and oversight of microfinance services provided, Private Sector Development Services offered, oversight and coordination of the non-banking sector provided, and small business recovery fund implemented. Overall intervention performance was fair at 74.2%.

Coordination and oversight of microfinance services provided: The plan was to implement the Financial Sector Development Strategy (FSDS), *Emyooga* program monitored, Islamic banking operarionalised in Uganda, and increase access to quality financial information.

An action matrix for the FSDS was developed, reviewed and updated to meet the financial sector developments. The regions of Teso, Bunyoro, Bukedi and Central were monitored and supported by the MFPED on the progress implementation of *Emyooga* program. The monitoring of the national uptake of financial services was carried out and the findings informed the review process of the financial sector legal and regulatory frameworks.

Input into the review of the Financial Institutions (Amendment) Act, 2023 and the amendment to the tax laws to operationalise Islamic banking was provided. An implementation framework for operationalisation of Islamic banking in Uganda was developed. The Microfinance Deposit taking Institutions (MDI) Regulations were reviewed to inform the drafting of regulations to support implementation of Islamic banking.

Private Sector Development Services: This was implemented under the Enhancing Growth and Productivity Opportunities for Women Enterprises project (GROW). The plan was 5,850 Women entrepreneurs, SMEs or credit financed, Trade-specific skills training for 12,000 women entrepreneurs, and 12,000 jobs created

By 30th June, the design of line of credit was finalized, approved by GROW Financing Facility (GFF) award committee and cleared by the World Bank. The GFF implementation manual was updated to incorporate new information from the design process of the Line of Credit scheme. Five banks were approved to offer GROW loans and grants including Post Bank, Centenary Bank, Finance Trust Bank, Equity Bank and DFCU Bank.

The PSFU completed due diligence and evaluation of the second cohort of financial institutions involving SACCOs and MFIs. The recruitment of a due diligence and monitoring firm for PFI was at contracting stage. The disbursement of the fund had not started pending fulfilment of some conditions precedent and therefore the trade specific skills were not offered as planned.

Oversight and coordination of the non-banking sector provided: The plan was to develop the deposit protection fund legal and regulatory framework, operationalize amendments to the MDI Act, operationalise the foreign exchange (amendment)Act, increased penetration of the insurance sector, and Uganda's Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) regime improved and compliant.

By the end of the FY, the Microfinance Deposit-Taking Institutions (Amendment) Act, 2023 was passed by Parliament aimed at providing for among others; Islamic banking, Agent banking and Bancassurance. The foreign exchange (Amendment) Act was passed and the attendant regulations were developed with an aim of revising the minimum paid up capital to conduct a forex bureau and money remittance business in Uganda. Proposals were made to the amendment bill of the Financial Institutions Act, 2004 to incorporate some of the intended measures for the Deposit Protection Fund Act.

The insurance sector penetration increased to about 0.876% and one brief on the performance of the retirement benefits sector was developed. During the course of the year, Uganda was removed from the Financial Action Task Force (FATF) Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) grey list.

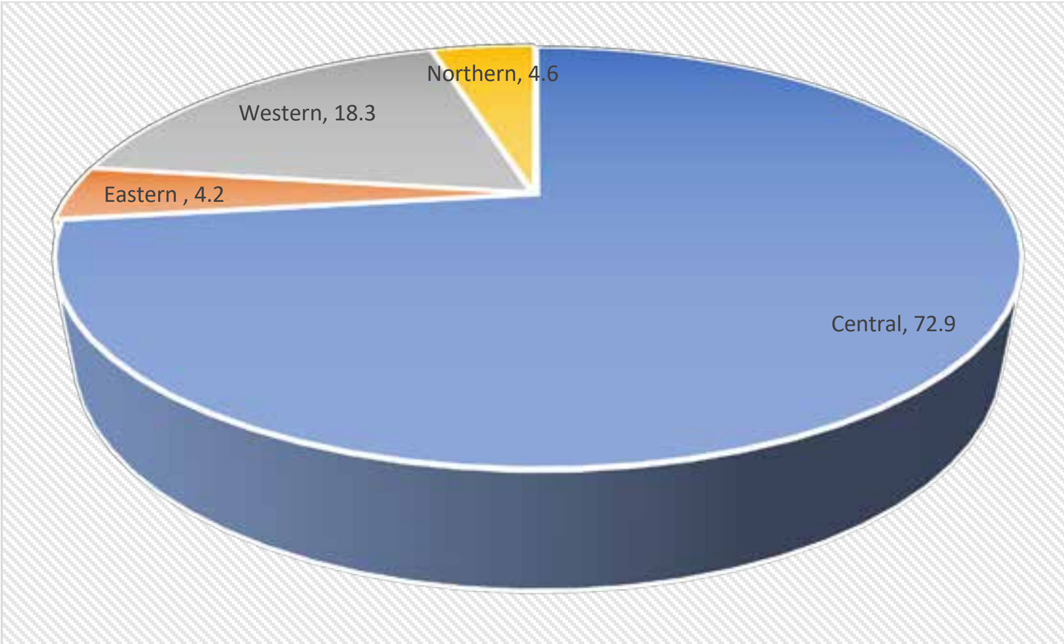
The financial sector development strategy was reviewed. The capital markets reforms were drafted to support the development of capital markets to guarantee long term financing. A technical review was undertaken and input provided for the proposed amendments to the Financial Institutions Act.

Small Business Recovery Fund implemented: The Bank of Uganda received Ug shs 100bn in 2020 from the Government to capitalise the Small Business Recovery Fund (SBRF) in order to facilitate the provision of loans to small businesses that suffered financial distress from the effects of COVID-19. The banks/Participating Financial Institutions (PFIs) are required to match the GoU contribution with a 50% contribution.

By 30th June 2024, the Bank of Uganda through the Small Business Recovery Fund (SBRF) disbursed a total of Ug shs 16.511bn to 983 beneficiaries through the PFIs across the country. A total of Ug shs 8.234bn was GoU contribution. Opportunity Bank had the highest percentage of beneficiaries (83%) followed by Post bank (12.9%). The banks with the least SBRF loan disbursement were Finance Trust bank and Housing Finance Bank at 0.6% and 0.4% respectively (Figure 2).

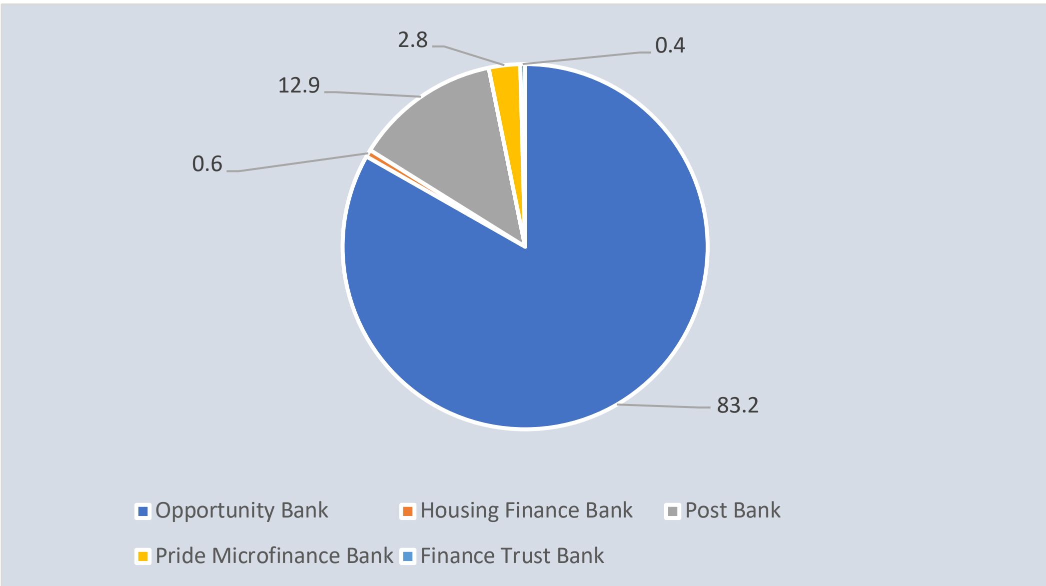
The Central region had the highest number of beneficiaries (72.9%), while the Eastern region had the least number of beneficiaries (4.2%) see figure 1. There was a slight improvement in uptake of the fund compared to the previous financial years. Limited information and the requirement for land titles as collateral security was still affecting the uptake of the funds.

Figure 1: Percentage share of the SBRF fund by region as at 30th June 2024



Source: Disbursement lists at at 30th June 2024

Figure 2: Percentage share of the Loan Disbursement by the participating financial institution as at 30th June



Source: SBRF: Disbursement lists at at 30th June 2024

3.2.5 Increase access to long-term finance

The intervention contributes to the objective of sustainably lowering the cost of doing business. The monitored output was financial sector policy and oversight. The performance of the intervention was fair 50%.

Financial Sector Policy and oversight: the plan was to come up with a development finance institutions Policy, develop performance review report for the Agriculture Credit facility (ACF), develop the second microfinance policy, and develop the agricultural finance policy.

The draft development finance institutions policy was reviewed and sent to stakeholders for comments. The Uganda national microfinance policy was under review for updates. The performance review report for the ACF was developed and it was observed that a cumulative lending of up to Ug shs 441.36bn had been made through this intervention. The measures that were recommended by the agriculture finance policy were under implementation and frameworks were being considered to increase financing to the agricultural sector.

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

This intervention contributes to the objective of promoting local content in public programmes. The monitored output during the period under review is research and development. The overall intervention performance was very good at 95%.

Research and Development. The UFZA planned to prepare one enterprise survey report, undertake one research study and conduct one annual client satisfaction survey. By 30th June 2024, one enterprise survey for FY 2022/23 was conducted and it established that 82% of the Free Zones were concentrated in the Central region with the manufacturing sector accounting for 51% of the enterprises in the free zones. Capital investment in free zones reduced by 92% to USD 50.41 million in FY2022/23 from the USD 644.76 million in FY2021/22. The UFZA also conducted desk researches for management decisions.

3.2.7 Increase accessibility to export processing zones

The intervention contributes to the programme objective of strengthening the enabling environment and enforcement of standards. The monitored outputs for FY2023/24 were: investors protected and supported, and legal and advisory services provided. The overall intervention performance was fair at 67%.

Investors protected and supported: The plan was to attract 20 private Free Zone developers and operators, attract new investments into Freezones to the value of USD 200million, create 10,000 new jobs, acquire 200 acres of land, and increase the value of export from freezones by 10%.

The UFZA attracted six private Free Zone developers and operators against the annual target of 20 developers. These include: M/S Image Coffee Ltd, M/S GOCTA Workwear (U) Ltd, M/S Yako (U) Ltd, M/S Kasanda Sugar (U) Ltd, M/S Inspire Africa Establishments Ltd, and M/S Master Grain Milling (U) Limited. The value of investment generated during the FY amounted to USD 261,916,085 and a total of 1,702 new jobs were created cumulatively against a target of 10,000 jobs.

The value of exports generated in the Free Zones amounted to USD 1,040,438,642.82. A total of 44.6 square kilometres of land was allocated to the UFZA at Kaweweta, Nakaseke district against a target of 200 acres during the financial year and 24 Free Zones out of 31 operational Zones (77%) were licensed through the Uganda electronic single window.

Legal and advisory services provided: the plan was to secure 02 land titles, gazette 05 Free Zone Licenses, Free Zone lands surveyed for construction of freezones, and one legal and regulatory framework done.

The UFZA commenced with the securing of a leasehold certificate of title for Kaweweeta land by the signing of a 49-year Lease Agreement with Uganda Land Commission (ULC). The transfer of title in the name of UFZA for the 102 acres of land at Buwaya, Kasanje was halted pending the determination of a court case. For the Entebbe internation airport free zone, the UFZA continued to engage Uganda Civil Aviation Authority (UCAA) in regard to the issuance of a sublease certificate of title for the UFZA. For Soroti free zone, a request for extension of the lease was made by the Authority to the ULC.

The processing of the Certificate of Title for the 20 acres of land at Kasese Industrial Park was ongoing and the deed prints were issued. The issuance of the certificate of title for the 19.7 acres of land at Jinja Industrial Park was progressing after the recovery of the original title by UIA.

A total of three new free zones licenses were gazetted against a target of five and these are; ii. Yako Uganda Limited issued on 2nd October 2023, ii) Inspire Africa Establishments (U) Limited on 19th October 2023, and iii) Kasanda Sugar (U) Limited on 19th October 2023. At least 18 licenses were renewed.

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

The intervention contributes to the programme's objective of promoting local content in public programmes. The monitored output for the FY2023/24 was construction management. The overall intervention performance was fair at 69.4%.

Construction management: The UFZA planned to undertake construction works at Entebbe International Airport Free Zone (EIAFZ) to include a trade house, anchor unit linking the two production units already constructed, gate house, land scaping, parking area and road works. Others were infrastructure activities in Buwaya, Mubende, Hoima, Jinja, Soroti, and Kasese undertaken.

By 30th June 2024, construction at EIAFZ progressed to 69.4% against a time progress of 85%. The civil works for the three production units under phase 1 of the free zone at Entebbe was substantially complete. The four-storey trade house progressed at 75% and the gate and control house at 30%. The anchor house progressed to 75%.

Ongoing works included, electrical and plumbing fixes, lift installation, wall cladding, sanitary fittings, windows, doors and aluminium partitioning. Others were external works including gravel filling, grass and tree planting, weigh bridge construction and paving behind the production units.


L: Trade house nearing completion. R: Gate under construction at the Entebbe International Airport Free Zone

The construction of accommodation and sanitation facilities for security personnel in Buwaya was completed and security was provided by Uganda Police. The installation of boundary markers and sign posts in Buwaya, Kasese, Soroti and Jinja UFZA land was also completed. The EIAFZ project was behind schedule occasioned by inclement weather, design changes, and machine/equipment breakdown. The rest of the outputs were not undertaken due to limited resources.

3.2.9 Fully serviced industrial parks and increase access to them by the local private players

The intervention contributes to the programme objective of strengthening the enabling environment and enforcement of standards and one deliverable over the NDPIII period - increased fully serviced industrial parks. The intervention aims at having serviced industrial parks to attract both domestic and foreign direct investment and reduce operational costs incurred by investors. The monitored output for FY2023/24 is industrial parks developed and managed. The overall intervention performance was 87.3%.

Industrial Park Development and Management: The plan was to install border markers for securing the industrial park land, 1 km of road improved to sub grade level, Health camps for HIV/AIDS run and Covid-19 measures setup in Industrial areas, and business skilling of communities near industrial parks.

The UIA signed a Memorandum of Understanding (MoU) with BHM Construction International (UK) Ltd for infrastructure development of Industrial parks feasibility studies located at Kisoro, Nebbi, Pader and Rukungiri districts and submitted the feasibility studies after acquiring the environmental and Social Impact Assessment (ESIA) approval from NEMA. The Draft pre-feasibility studies conducted together with the NPA were reviewed for the preparation of feasibility studies for three (3) established industrial parks located in Kasese, Soroti and Jinja. The UIA also commenced on the detailed profiling of the status for SME investors within the Kampala Industrial and Business Park (KIBP) that are renting warehouses and operating in KIBP. The progress on the development of infrastructure is presented hereafter.

The Kampala Industrial and Business Park project: A commercial EPC contract for the infrastructure development of Kampala Industrial and Business Park (KIBP) was signed in 2018 between the Government of Uganda through the Uganda Investment Authority and M/s Lagan in Joint Venture with M/s Dott Services that transformed into M/s Lagan Dott Namanve Limited (LDNL) at a cost of Euro 215,065,212.41. The project is funded by the GoU with support from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB). The contract commenced on 6th July 2020 with a revised completion date of 4th September 2025.

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

By 30th June 2024, the infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve was behind schedule at 53.5% against 77.2%-time progress and 51% financial performance. Road works progressed to 48% with a total of 37 km out of the 45 kms of road network opened and were accessible but only 11km were paved.

Water supply network was at 26% against a 42% target with excavation for pipe laying especially in the North and South A estate ongoing.

Power supply services construction progressed to 36% against a target of 43%. The delays are due to the continued refusal by the contractor to address UMEME's concerns and comments on the power design.

The laying of fibre optic and CCTV services was at 35% against 39% target with ducting works on-going. The street solar lighting and traffic lights construction were at 44% against a 48% target. The construction of the waste water and solid waste treatment facilities and the SME Park did not commence because the land was not yet procured by UIA.The construction period was extended for another 20 months from 5th January 2024 to 4th September 2025.

The project was affected by cash flow for the contractor, employer's representative and the project management team. For example, the contractor had been paid three certificates only out of the seven that were raised. The project team had not received administrative support since July 2023 and salaries not paid since January 2024. The owner's engineer had not been paid since the GoU had not released its annual obligation of Ug shs 6bn and eventually the expiry of the UKEF financing facility. It was observed that both the technical committee and the steering committee hardly meet to guide progress and address the issues arising between the contractor and the client as stipulated in the contract.

The slow progress was attributed to the delayed purchase of land for the Solid Waste Treatment Plant (SWTP) and SME Park, delayed provision of funds meant to cater for the Employers Representative's allowances, and delay in renewing the UKEF financing facility which affected the contractor's cash flow.

The project runs a risk of cost and time overruns arising from idle time, delayed payment to the contractor, and delayed effective acquisition of alternative sites for waste treatment facilities and SME parks yet these components are on the projects critical path.

Project Challenges

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

ii) Failure by the project technical and steering committees to regularly convene meetings which delayed settling of some disagreements between the contractor, the supervisor and client.

iii) Absence of an Independent Environmental and Social Consultant (IESC) – Ramboll UK Ltd at site. The absence of an IESC risks the continued breach of a financing obligation which may eventually lead to a stop to funding and or eventual cancellation of the loan.

iv) Expiry of the commercial facility, and availability period for the UKEF facility on 4th September 2023 leading to failure to pay cleared certificates (No 16 – 21).

Recommendations

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

ii) The Project Steering Committee should take a more vigilant oversight role in the implementation of the project by holding periodic meetings to address the concerns from stakeholders.

iii) The UIA should fast track the negotiation for the renewal of the financing facility to address cash flow constraints.

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

The intervention contributes to the programme's objective of sustainably lowering the costs of doing business. The monitored outputs for FY2023/24 include: investor education and stakeholder facilitation, management of ICT systems and infrastructure, and facilities and equipment management. The overall intervention performance was 74%.

Investor education and stakeholder facilitation: The plan was to support local SMEs especially manufacturers to meet the standards required to export their products, and support local SMEs through private sector engagements.

By 30th June 2024, a total of 160 SMEs were linked to Uganda National Bureau of Standards for certification and standards. One investment policy and position papers was developed alongside four product and market information systems.

A total of 2,260 SME hubs were facilitated to access ICT services through innovation hubs, one adequate framework was developed and 2267 SMEs were on boarded onto the SME data base. The UIA launched and operationalized the National System for Mass Electronic Payments (NSMEP) together with 200 ecosystem stakeholders. It also partnered with NITA-U to host the National SME Portal on UG HUB.

Management of ICT systems and infrastructure: This output supports the infrastructure development under the CEDP project. The planned outputs were; Uganda Wildlife Education Centre (UWEC) redeveloped, retooled and modernized, Uganda Wildlife Research and Training Institute (UWRTI) reconstructed, expanded and transformed into a centre of excellence. Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel, School and other related facilities completed. Presidential CEO forum offices refurnishing completed and Defects Liability Period (DLP) concluded. Tourism Information Management System (TIMS) fully developed and operational. Uganda Museum refurbished, remodelled, and modernized. Uganda Museum lab storage facilities retooled, and the capacity of the land division of the judiciary on the technical use of the portals, land records, and access to the National Land Information System (NLIS) strengthened. The progress on each planned activity is presented hereunder;

1. Uganda Wildlife Education Centre (UWEC), in Entebbe redeveloped, retooled and modernized: The contract was awarded to M/s Seyani International at a sum of Ug shs 12bn with Studio FN as the supervising consultant. The scope of works includes; a National Wildlife hospital block extension, administration block extension, chimpanzee enclosure building, Kidepo fencing, aviary, African hunting dog enclosure building, elephant enclosure, car park and road paving. The works commenced on 03rd October 2023 with a revised completion date of November 2024.

By 30th June 2024, the overall physical progress was at 80% against 83%-time progress and 49.2% financial progress. The procurement and delivery of one rig van, three golf carts, one double cabin pickup and one tourism customized truck was completed. Others were; four public shades constructed, 14 out of 25 trash bins fabricated and 14 out of 15 animal sculptures were installed in various locations of Entebbe town.

The animal hospital extension block progressed to 81% pending carpentry, joinery, mechanical and 2nd and 3rd fix electrical works and sanitary fixing. The refurbishment of the existing animal hospital progressed to 98% pending; mechanical, electrical, door fixes and a final coat of painting.

The administration block extension was at 87% while the administration block refurbishment was at 79%. The pending works were mechanical and electrical 3rd fixes, window and door fixing, and final painting.

The elephant enclosure was at 85% pending mechanical and 3rd electrical fix, air lock gate, and tap installation. The African dog hunting enclosure was at 82% with the soak away pit construction ongoing. Pending activities included mechanical, 3rd electrical fixes and a water feature (pond).

The aviary was at 81% pending installation of aviary nets, board works, pond and lightening protection. The chimpanzee sanctuary was at 72% pending water pond completion, geotextile, runway mot, planting of non-palatable plants and trees, a walk way and view terrace. The Kidepo enclosure was at 88% pending the water feature/pond, giraffe cutes, and stone pitching around the trees. The road paving works were at 99.5% pending minor side grassing, and the parking was at 99% pending rectifying of defects.

Other pending external works included; land scaping and plantings around the chimpanzee sanctuary, administration block, animal hospital, street lighting, and storm water management and an additional variation of 9,300m^2 of road paving.

Overall physical progress was good whilst behind schedule due to inclement weather during the initial stages of the project and delayed approvals. Despite the revision of the project completion date to 30th September 2024. The project was less likely to be completed within the remaining time especially activities under the refurbishment and modernisation of the Uganda Museum which delayed at procurement stage.

L: Stone pitching around the trees in the Kidepo enclosure. R: Construction of the elephant enclosure at the Uganda Wildlife Education Centre

2. Reconstruction, expansion and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese: The contract was awarded to M/s Ambitious Construction Company with a start date of 26th September 2023 and end date of 25th June 2024 which was revised to 30th November 2024. The supervising consultant is Strategic Friends International. The scope of works include; Construction of a perimeter wall, gate and gate house, chain-link, 2-story administration block, 2-story classroom block, powerhouse, access road to office from the gate, animal protection trench, and supply of furniture.

L: Gate and gate house and R: admin block including grassing planting and paving of walkways

By 30th June 2024, the overall physical progress was at 95% against a time progress of 95% and financial progress of 90%. The Marine boat for research was procured and delivered. The gate was installed and final electrical installation, ceiling works and final painting were ongoing. The perimeter wall was completed pending final painting. The classroom block and administration block were substantially complete with ongoing works including final electrical fixes, terrazzo casting in the lobby and the laboratories, final painting and fixtures.

Under external works, erecting of the tank towers, plumbing connections, and grass and shrub planting were ongoing. There were variations on the power house, gate house and removal of a chain link from the initial scope and strengthening of the superstructure with additional concrete and steel.

A submission was made for the supply of furniture in February 2024 and was still under review by the World Bank. The project was affected by change of site to a bigger location which necessitated design reviews and approvals, and the delayed approval of variations by the World Bank which led to loss of time (three months).

3. Completion of the Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel, training school and other related facilities in Jinja: By 30th June 2024, the phase 1A consisting of hotel block, 50 Guest rooms, conference room, kitchen and reception progressed to 97% pending addressing of snags, painting and landscaping and under defects liability.


L-R: Installation of air conditioning in one of the hotel rooms, and the front view of the Crested Crane hotel in Jinja

Phase 1B consisting of 30 additional hotel rooms (second floor) and a service lift was contracted to ROKO construction company. The overall progress of Phase 1B was estimated at 82%. The final finishes such as; painting and tiling, installation of air conditioners, data and internet infrastructure, plumbing works, and a service lift near completion.

The equipping and retooling of the institute by CEDP was ongoing including the installation of public address system in the conference hall, television screens, bar, kitchen and laundry equipment. The interior designer for the hotel was engaged to deliver furniture and beddings and work had commenced. Other pending works included supply of a boiler and air compressor, upgrade of the transformer and drainage channels in the kitchen. The draft contract for supply, delivery, and installation of furniture, fittings, and related equipment for the hotel was submitted to Solicitor General for review and clearance.

Phase II - construction of the training institute

The construction for phase II was contracted to M/s CRJE East Africa Limited under the supervision of Symbion Uganda for a period of nine months (21st September 2023 to 20th April 2024). The scope of works was demolition of old structures, construction of a classroom block, administration block and a multi-purpose hall.

The overall physical progress was 58% against, 76.1%-time progress and 45% financial progress (including advance payments). Terrazzo casting was completed for the first two floors and it was ongoing for the third floor. Other ongoing activities include installation of hangers for the ceiling, doors and window fabrication, painting, plumbing and external works. Works were behind schedule.

External works and painting of the Administration and Classroom blocks at the Uganda Hotel Tourism and Training Institute in Jinja

4. Uganda Museum refurbished, remodelled, modernized and the lab storage facilities retooled: This involved demolitions and alterations, refurbishment of buildings and a perimeter fence, and provision of services including electrical, mechanical, and ICT installations, and health, safety and environmental safeguards plus external works.

The development of schematic designs and Bills of Quantities (BoQs) for the Uganda Museum planned infrastructure were finalised and the contract for civil works was signed and site mobilization was ongoing. The equipment and software for digitalization of the Uganda museum were procured and delivered to create online artifacts of collections database, multi-sensory experience, virtual tours, mobile tours, and e-cash payments. Installation awaits completion of the refurbishment.

The inventorying and cataloguing of the museum artefacts were completed and the consultant submitted two draft volumes of the museum catalogue for review. The digital still camera was delivered. The design and printing of museum guidebooks and heritage activity books was ongoing while the procurement of services for the production of a 5–8-minute video on a museum story for ages 6-15 years was at the no objection stage.

Facilities and Equipment Management: The plan is to purchase; a property to house a One Stop Centre (OSC) in Mbarara, Office ICT equipment, refurbishment of the OSC in Mbale and Arua; office fittings and fixtures for the UIA office at the Uganda Business Facilitation Centre (UBFC). By 30th June 2024, the purchase of a property to house the OSC in Mbarara laptops, and furniture and fittings for UIA offices were not completed and the rrefurbishment of the OSC in Mbale and Arua were not undertaken due to inadequate funds.

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

The intervention contributes to the programme's objective of strengthening the enabling environment and enforcement of standards. The monitored outputs for FY2023/24 were: construction management, market surveillance inspections, and facilities and equipment management. The overall intervention performance was very good at 96%.

Construction Management: The UNBS planned to review the designs of the engineering materials laboratory at Bweyogerere and by 30th June 2024, an inception report was and equipment mapping was completed.

Facilities and equipment management: The plan under the UNBS was to procure 3 field vehicles, One van, 29 Laptops, 4 Network Switches, Assorted furniture and fittings, and one specialized equipment for National Metrology Laboratory (NML). By the end of the FY, 29 laptops, 4 network switches, specialized equipment and furniture were procured. In addition, Climatic Chamber, MTvis software upgrade for rugged data terminals, and DC bench were procured. However, the three field vehicles and one van were not procured. Other expenditures were on clearing domestic arrears for field vehicles supplied in the previous year.

Market Surveillance Inspections: The UNBS conducted 2,453 market inspections against a target of 9,000 leading to seizures of approximately 11,177.223 metric tons of substandard and uncertified goods/products with most seizures in the Central and the least in the Eastern region. These were conducted in supermarkets, shops, distribution outlets, hardware shops, food processing facilities, manufacturing facilities, and distribution trucks. Foods and beverages were the most non-conforming products followed by construction materials, and cosmetics. Sixty-three (63) facilities were sealed off for producing uncertified products and/or under unhygienic conditions or possessing non-conforming products.

A total of 210 Standards were developed against an annual target of 200, and 7,117 equipment were calibrated against a target of 1,500. A total of 1,251 Certification permits were issued to MSMEs, across all regions of the country.

Conclusion

The sub-programme performance was fair at 67.8%. Eleven interventions under the subprogram were monitored and two interventions had very good performance, three had good performance while six had fair performance.

Funds were disbursed to PDM SACCOS as capitalisation under the PDM financial inclusion pillar. The Parish Development Model Information System (PDMIS) was fully rolled out. Additionally, 280 clients under conventional financing and 156 client projects under Islamic finance were supported with Ug shs 26.386bn through the MSCL. A total of 625 Emyooga SACCOs were provided with seed capital to aid continuous disbursements to beneficiaries.

The outputs of construction of the National Business Development Services Centre in Butabika, Kampala Industrial and Business Park (KIBP)-Namanve and the development of the tourism facilities variously progressed all were behind schedule.

Six new farmer organizations were obligated by the USADF against the annual target of 15 raising the portfolio of beneficiary grantees to 29 during the period under review. However, implementation was slow with most of the beneficiary co-operatives receiving funds late in the second quarter of the financial year. There was a slight improvement in uptake of the funds under the SBRF. However, the limited information and the requirement for land titles as collateral security was still affecting the uptake of the funds.

Recommendations

1. The UIA, CEDP, and Enterprise Uganda should accelerate the completion of civil works at the various infrastructure interventions so as to achieve the NDP III targets under the Private Sector Development programme.
2. The BoU together with the PFIs should intensify awareness campaigns for the SBRF to ensure increased uptake of the available funds by small businesses.

3.3 Strengthening Private Sector Institutional and Organizational Capacity Sub-programme

The sub-programme contributes to the PSD Programme objective of strengthening the organizational and institutional capacity of the private sector to drive growth. The sub-programme performance was good at 75.6% and the summary of performance of the monitored interventions is given in Table 3.4. The intervention of Increase access to affordable credit largely targeting MSMEs had a very good performance at 99% while the intervention of Develop and implement a holistic local content policy, legal and institutional framework was fair at 50%.

Table 3.4: Performance of Interventions under the Strengthening Private Sector Institutional and Organizational Capacity Sub-programme by 30th June 2024

Intervention	Colour code	Remark
Increase access to affordable credit largely targeting MSMEs	99.3	Very good performance
Develop and implement a holistic local content policy, legal and institutional framework	50	Fair performance
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	75.3	Good performance
Rationalize and harmonize standards institutions, and policies at local and regional level	84.3	Good performance
Improve the management capacities of local enterprises through massive provision of Business Development Services geared towards improving firm capabilities	72.5	Good performance
Strengthening system capacities to enable and harness benefits of coordinated private sector activities	81.1	Good performance

Source: Field Findings

3.3.1 Increase access to affordable credit largely targeting MSMEs

The intervention contributes to the objective of sustainably lowering the costs of doing business. The monitored output was capitalization of institutions and financing schemes. The intervention performance was very good at 99.3%.

Capitalization of Institutions and Financing Schemes: The plan was to capitalize Uganda Development Bank, Post Bank, Agricultural Credit Facility (ACF) and the Uganda Agricultural Insurance scheme. By 30th June 2024, a total of Ug shs 95.35 billion was disbursed to capitalize financial institutions and schemes as follows; Ug shs 52.75 billion was disbursed to Uganda Development Bank, and Ug shs 2.6 billion was disbursed as Government capitalization of Post Bank to provide affordable financing to businesses. In addition, Ug shs 35 billion was disbursed to capitalise the Agricultural Credit Facility and Ug shs 5 billion was disbursed as government subsidy to the Uganda Agricultural Insurance scheme.

3.3.2 Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth

The intervention contributes to the programme's objective of strengthening the enabling environment and enforcement of standards. The monitored output for FY2023/24 was Policies, Regulations and Standards. The intervention performance was good at 75.3%.

Policies, Regulations and Standards. The plan was to export potential for the selected product value chains implemented, and finalize national policy on trade fairs, exhibition and exposition.

By the end of the FY2023/24, the MTIC undertook stakeholder consultations on ways to increase and improve exports to regional and international markets such as; EAC, Japan, India, and China. In addition, four consultative meetings were held and 78 stakeholders provided inputs to the BDS guideline and framework draft. The national policy on trade fairs, exhibition and exposition was not developed.

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

The intervention contributes to the objective of strengthening the enabling environment and enforcement of standards. The monitored outputs were economic integration and market access, and support to African Growth and Opportunity Act (AGOA) secretariat. The intervention performance was good at 84%.

Support to the AGOA Secretariat: The plan was to increase awareness among exporters and the general public, and facilitate exporters of key identified products[2].

By the end of the half year, the AGOA Secretariat facilitated exporters of key identified products to attend exhibitions in the U.S.A. The secretariat met the cost of air tickets and per diems as well as exhibition space for private sectors who export casein, coffee, textiles and apparel, cut flowers, fish, handcrafts, dried fruits, cocoa and tea to show case Ugandan products.

Through the AGOA secretariat, Uganda participated in the EAC Partner States in Arusha to encourage regional integration for trade and investment among all AGOA eligible countries and help in the implementation of the Africa Continental Free Trade Area (ACFTA). Additionally, the annual report on export performance under the AGOA initiative was published.

Economic Integration and Market Access. The plan was to attend the Common Market for Eastern and Southern Africa (COMESA) free trade area (FTA) meetings, tripartite negotiations EAC-COMESA-SADC, Africa Continental Free Trade Area (ACFTA), and World Trade Organisation (WTO) meetings. By 30th June 2024, meetings at the COMESA FTA and the tripartite negotiations EAC-COMESA-SADC meetings were attended. In addition, the ACFTA meeting, WTO meetings and the regional and bilateral meetings were attended and a National position given.

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

The intervention contributes to the objective of strengthening the organizational and institutional capacity of the private sector to drive growth. The monitored outputs for FY2023/24 include: monitoring and evaluation, business development services (SDP), product

[2] The performance covers six months because Uganda was suspended from participating AGOA by the United States of America Government beginning 1st January 2024 and this suspension had not been lifted by 30th June 2024.

and services market research, and industrialization acceleration and job creation. Overall intervention performance was good at 72.5%.

Monitoring and evaluation. The plan was to reduce exploitation of customers buying goods on hire purchase, increased compliance with Hire Purchase Law, increased non-tax revenue (NTR) for the law, streamline regulatory and arising issues in Tobacco sub-sector and regulate non-citizen traders licensing, and collect and analyse trade licensing data from selected Local Governments/Cities for compliance with Trade Licensing (Amendment) Act and Regulations.

By 30th June 2024, the MTIC engaged 40 LG officials and 80 businesses conducting hire purchase business in eight Local Governments (Jinja, Tororo, Busia, Kumi, Kira, Nansana, Mityana and Mubende). These were intended to lead to reduced exploitation of customers buying goods on hire purchase, increased compliance with hire purchase law, increased NTR in licensing.

The MTIC also reviewed and analysed trade licensing returns from five municipalities (Tororo, Bugiri, Nakasongola, Arua and Mbarara), and also monitored implementation of new trade licensing rates and grades. They further collected trade licensing data from 10 licensing authorities (Makindye, Nakawa, Rubaga, Mukono, Iganga, Kira, Makindye-Ssabagabo, Entebbe, Bugiri, and Kamuli.

The MTIC identified sections of the Tobacco (control and marketing) Act, 1967 for review and developed draft principles for repeal of the Law in consultation with relevant stakeholders (District tobacco inspectors and Tobacco growing companies). The implementation of the trade licensing Act, as amended in 2015 was monitored and evaluated in the cities of Kampala, Jinja, Mbale, Fort portal and Gulu to ensure the right rates, grades and consistent implementation of the Law is applied by all the Cities.

Business Development Services (BDS): The plan was to offer coaching, mentoring and advisory services to MSME managers on modern business management skills, and good corporate governance principals for effective business growth. By 30th June 2024, a total of 170 MSMEs managers were offered coaching, mentoring and advisory services on modern business management skills, and good corporate governance principles in the districts of Kagadi, Kasese, Kyenjojo, Kaberamaido, Amolatar and Kalaki. Maracha and Madi Okollo, Masindi municipality, and Hoima city. Additionally, 296 MSMEs were guided on making business plans, financial literacy, resource mobilization, business registration and record keeping in Buikwe Mayuge, Butaleja, Luuka, Amuria, and Katakwi. Awareness creation was conducted for 500 MSMEs youth, women and PWDs on entrepreneurship startups and business formalization in Rakai, Kalungu, Bukomansimbi, Kiboga, and Kyankwazi.

Product and Services Market Research: The plan was to print and disseminate 1,500 copies of trade related policies/laws amongst relevant private sector, LGs and MDAs, form and launch an apex private sector body to streamline private sector operations, and create awareness among 140 private sector stakeholders on trade related laws and policies.

By end of the FY2023/24, the competition bill was passed by Parliament. The draft principles of the trade remedies bill and a draft regulatory impact assessment of the trade remedies bill were developed all in consultation with relevant stakeholders (UMA, PSFU, ULRC, MEACA, MOJCA, Cabinet Secretariat).

A draft Constitution for an Apex Private Sector body was developed in consultation with relevant Private Sector Organizations and a Cabinet Memo for a Bill for the Federation of Uganda Chamber of Commerce and Industry was developed awaiting issuance of Cabinet Number. Awareness was created amongst 75 private sector stakeholders and 15 district commercial officers from Central, Eastern, and Northern regions on trade related laws and policies (Trade Licensing Amendment Act, 2015, Hire Purchase Act, National Competition and Consumer Protection Policy, and Buy Uganda Build Uganda (BUBU) Policy).

Industrialization acceleration and jobs creation: The plan was to hold investment summits in key priority regions and markets to attract business partnerships, and equip business owners and operators with skills and sustainable business operational ideas.

The UIA licensed 328 projects worth USD 10.51 billion with planned employment of 38,083 jobs during the period. The agency organized 78 inward investment exploratory missions to Uganda, 183 Investment leads and licensed 29 projects with USD 178.2 million investment value with potential to create 5233 jobs.

The UIA also followed up on the targeted marketing of compendium projects through Uganda's diplomatic missions, and diaspora associations. Six district investment committees were re-established and re-branded to local economic development investment committees (LEDICs) in Arua, Gulu, Soroti, Mbale, Ibanda and Kasese and they were oriented, and sensitized on the TORs.

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

The intervention contributes to the NDP III objective of strengthen the organizational and institutional capacity of the private sector to drive growth. The monitored outputs for the FY2023/24 were: product development undertaken, and MSMEs Information Services provided. The overall performance of the intervention was good at 81.1%. The performance of the monitored outputs is given hereafter:

Product development undertaken: The plan was to mobilise, vet, train and support 250 MSMEs from all regions of Uganda, to attend the National, Regional and International trade fairs and Expos.

By 30th June, a total of 250 MSMEs from Central, Western, Eastern and Northern Uganda were mobilised, vetted, trained and supported to attend the National, Regional and International trade fairs and Expos. For example, 144 MSMEs attended the 23rd EAC MSMEs trade fair in Bujumbura-Burundi in December 2023 while a total of 150 MSMEs were trained in the processes of credit rating, bar coding and adoption of cleaner production and resource efficiency practices in Jinja, Iganga Tororo, Mbale, Masaka, Mbarara, Ntungamo and Kabale districts.

MSMEs Information Services provided: The plan was to profile and capture 400 MSMEs in the mining and agro-processing sector (100 per region) in the MSMEs data base.

A total of 420 MSMEs in the mining and agro-processing sector were profiled and captured in the MSMEs database. These were in the districts of Kampala, Mukono, Kayunga, Dokolo, Lira, Gulu, Masaka, Mbarara City, and Mbarara district.

Conclusion

The overall sub-programme performance was good at 75.6% (Annex 3). Very good performance was registered under the intervention of increase access to affordable credit largely targeting MSMEs while the intervention of develop and implement a holistic local content policy, legal and institutional framework was fair at 50%. Good performance was attributed mainly to the capitalisation of financial institutions to support MSMEs access affordable loans. The competition bill and the trade remedies bill were passed by Parliament and the development of the draft Competition regulations were in the final stages. The UIA licensed 328 projects during the period, and also organized 78 inward investment exploratory missions to Uganda.

It was observed that some outputs did not have targets making measurement of performance difficult. Additionally, some services were duplicated such as business development services.

Recommendations

1. The implementing agencies in the programme should set targets for all the outputs for ease of measuring performance.
2. The PSD Programme Working Group should enhance synergies between implementing agencies on the delivery of common services such as Business Development Services and capacity building for increased efficiency.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The overall PSD programme performance was good at 71.7%. The strengthening private sector institutional and organizational capacity sub programme registered good performance at 75.6 while the Enabling Environment Sub-programme had a fair performance at 67.8%. The intervention on Increase access to affordable credit largely targeting MSMEs had a very good performance attributed to the capitalising of the financial institutions. The capitalisation of the PDM SACCOs registered good performance.

Strides were made in the area of increasing non-commercial lending to the private sector in key growth sectors especially agriculture through the capitalisation of UDB, Post Bank, MSCL and the Uganda Agricultural Insurance scheme. Other schemes such as the SBRF had also provided credit for business to recover from effects of COVID among others however, the shortcoming had been the limited popularisation and uptake of some of these products.

A number of bills and regulations were passed by Parliament to facilitate private sector development and PDM SACCOs were established and capitalised to ease access to credit by Ugandans. The businesses were supported to recover from the after effects of COVID-19 through the SBRF and the Emyooga SACCOs were supported with additional seed capital. The uptake of some funds especially the SBRF was still slow.

All the infrastructure related outputs aimed at facilitating private sector growth progressed at rather slow pace and most of them were behind schedule posing a risk of time and cost overruns. The delayed completion of infrastructure that promote production and quicken business processes such as serviced industrial parks and the export processing zone hinders the achievement of the set NDP III targets under the PSD Programme.

4.2 Recommendations

1. BOU and participating financial institution should continue to popularise the SBRF to potential beneficiaries to ensure increased uptake.
2. BoU should incentivise the PFIs to look out for special interest groups for example youth and women to increase uptake of SBRF funds.
3. MFPED should provide adequate counterpart funding to meet the financial obligations of the Owner’s Engineer and Project Management Team under the KIBP.
4. KIBP Project Steering Committee should take a more vigilant oversight role in the implementation of the project by holding periodic meetings to address the concerns from stakeholders.
5. The Project coordination committee for the USADF project should guide on the tax levied on vehicles and motorcycles following the change of ownership policy from USADF to individual cooperative organisations to avoid time overruns.
6. UIA, UFZA and CEDP should expedite the completion of civil works to avoid further delays and cost overruns.

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ANNEXES

Annex 1: Interventions Monitored for Annual FY2023/24

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

Source: ***Author's compilation***

Annex 2: Performance of the Enabling Environment Sub-programme as at 30th June 2024

Outputs Performance								Remark
Intervention	Out put	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	Investment climate advisory	631,638,829	100	100	100	33.3	33.3	Poor performance as the competitiveness and investment annual report was not produced by end of FY
	Private Sector Development Services	3,920,000,000	100	91	100	80	80	Good performance. The reports prepared as planned
	Public Enterprises Restructuring Services	33,000,000,000	100	98	100	70	70	Public enterprise sector monitoring report for FY 2022/23 and evaluation report for identifying an investor for Kilembe mines completed
	Business Development Services (Enterprise Uganda)	19,200,000,000	100	100	100	76	76.	Civil works for the Business Development Services Centre were at 76% against 77.22%-time progress and 62.99% financial progress

Outputs Performance								Remark
Intervention	Out put	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
	Industrialization Acceleration and Job Creation	671,500,000	93.4	99	100	80	85.68	Investment forums were held by the UIA
Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas	Business Development Services (USADF)	3,600,000,000	100	100	100	50	50	12 grantees were monitored out of the existing 29. Fair performance of the grant.
Strengthening system capacities to enable and harness benefits of coordinated private sector activities	Business Development Services (CEDP)	2,236,000,000	100	64	100	70	70	Good performance. Works were nearing completion at UWEC, UWRTTI, and UHTTI but not for the Uganda Museum. Works were behind schedule for all the projects.
	Microfinance support centre services	185,146,908,042	94.2	100	100	40	42.48	Funds were disbursed under conventional and Islamic financing.
	PDM Financial Inclusion Pillar	1,078,997,000,000	100	100	100	100	100	Very good performance. A total of 10,585 SACCOs established and Ug shs 1,058.9 trillion disbursed.
	Support to Financial Inclusion	3,300,000,000	100	100	100	50	50	Fair performance Ug shs 12.5bn disbursed

Outputs Performance								Remark
Intervention	Out put	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
								benefiting 625 Emyooga SACCOs against a target of 600 to aid continuous disbursements to beneficiaries.
	Investment Licensing and Aftercare Service	250,000,000	58.4	98	100	50	85.67	Good performance. 328 projects worth USD 10.51 billion were licensed with a planned employment of 38,083 jobs
Increase access to affordable credit largely targeting MSMEs	Private Sector Development Services GROW project	3,920,000,000	100	91	100	50	50	Slow progress hence fair performance. Five Participating financial institutions so far recruited.
	Coordination and Oversight of Microfinance Services	4,259,327,000	100	100	100	90	90	Coordination undertaken and regulations prepared.
	Oversight and Coordination of Non-Banking Sector	4,126,233,803	98.2	99	100	70	71.3	Good performance. The Microfinance Deposit-Taking Institutions (Amendment) Act, 2023 was passed by Parliament

Outputs Performance								Remark
Intervention	Out put	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Increase access to long-term finance	Financial Sector Policy and Oversight	4,750,554,000	100	100	100	50	50.00	Fair performance. The draft development finance institutions policy was reviewed.
Develop and publicize a transparent incentive framework that supports local investors	Research and Development-	125,000,000	100	100	100	95	95	Good performance. Undertaken by the UFZA.
Increase accessibility to export processing zones	Investor Protection	290,000,000	100	100	100	40	40	Poor performance. The UFZA attracted six private Free Zone developers and operators against the annual target of 20 developers.
	Legal and Advisory services	149,682,000	100	100	100	65	65	Fair performance, most of the land titles were still being processed
	Human Resource Management	4,575,986,041	100	89	100	96	96	Very good performance.
Develop and implement a holistic local content policy, legal and institutional framework	Construction Management	5,409,000,000	100	100	100	69.4	69.41	Construction at Entebbe International Airport Free Zone progressed to 69.4% against a time progress of 85%.

Outputs Performance								Remark
Intervention	Out put	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Fully service the industrial parks and increase access to them by the local private players	Industrial Park Development and Management	200,000,000	87.5	97	70	53.5	87.35	Fair performance. but the contractor for the KIBP was affected by cash flows which affected progress. Construction progressed to 53.5%
Address non-financial factors (power, transport, ICT, business processes etc) leading to high costs of doing business	Administrative and Support Services	11,535,016,743	95.9	89	100	92	95.93	Very good performance
	Investor Education and Stakeholder facilitation	150,000,000	93.3	98	100	50	53.57	A total of 160 SMEs were linked to Uganda national bureau of standards for certification and standards
	Management of ICT systems and infrastructure	74,138,000,000	96.6	74	100	70	72.49	Infrastructure under the CEDP project progressed well except for the refurbishment and modernization of the Uganda Museum
Rationalize and harmonize standards institutions, and policies at local and regional level;	Administrative and Support Services	10,153,836,000	100	100	100	92	92	Good performance.
	Construction Management	1,500,000,000	66.7	102	100	80	100	Review of the designs for the engineering materials

Outputs Performance								Remark
Intervention	**Out put**	**Financial Performance**			**Physical Performance**			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
								laboratory at Bweyogerere was completed.
	Total	1,456,235,682,458	99	98			71.97	
Average Outputs Performance							71.97	Good performance.
Outcomes Performance								
Outcome Indicator				Annual Target	Achieved		Score (%)	Remarks
Proportion of the total procurement value awarded to local contractors, %				75	63		84	Achieved
Proportion of Ugandan goods and services utilized by foreign firms in public projects				35	12.4		35	Not achieved
Annual change in products certified by UNBS (%)				10	1.3		13	Not achieved
Number of certified products accessing foreign markets				5500	5980		100	Achieved
Number of counterfeits tracked and destroyed (No. of seizures)				1100	309		28	Not achieved
Number of firms accessing the export free zones				35	41		100	Achieved
Proportion of total businesses operating in the informal sector				25	20		80	Good progress
Number of data requests to the MSME database				300	200		67	Fair progress
Number of reports and policy briefs developed				75	24		32	Not achieved
% of private sector complaints resolved				55	12.5		23	Not achieved
Average Outcomes performance							60.1	*Fair performance*

Source: PBS Reports, IFMS and Field Findings

Annex 3: Performance of the Institutional and Organizational Capacity Sub-programme as at 30th June 2024

Outputs Performance								Remark
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)	
Increase access to affordable credit largely targeting MSMEs	Capitalization of Institutions and Financing Schemes	159,962,181,300	77.5	100	100	77	99.32	Very good performance. A total of Ug shs 95.35 billion was disbursed to capitalize financial institutions and schemes
Develop and implement a holistic local content policy, legal and institutional framework	Procurement and Disposal Services	320,000,000	100.0	100	100	50	50	Fair performance
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	Policies, Regulations and Standards	1,147,883,621	99.7	90	100	75	75.26	Fair performance but the national policy on trade fairs, exhibition and exposition was not done
Rationalize and harmonize standards institutions, and policies at local and regional level;	Economic Integration and Market Access	98,163,283	91.3	100	100	90	98.57	Very good performance. The meetings were attended as planned
	Support to AGOA Secretariat	310,065,829	100.0	100	100	70	70	Good performance. the achievements under this output were for the first half of the

								FY because the AGOA was suspended/terminated by the United States of America Government beginning 1st January 2024 and this suspension had not been lifted.
Improve the management capacities of local enterprises through massive provision of Business Development Services geared towards improving firm capabilities through	Monitoring and Evaluation	1,038,000,000	99.6	98	100	90	90.35	Good performance. Monitoring was undertaken and sections of the Tobacco Act was under review
	Product and Services Market Research	91,132,008	87.5	100	100	70	80.03	Good performance. The competition bill was passed by Parliament
	Business Development Services (SDP)	266,635,905	94.8	98	100	58.2	61.39	Fair performance. Coaching, mentoring and advisory services to MSME managers was undertaken
	Industrialization Acceleration and Job Creation	360,000,000	85.8	100	100	50	58.25	Fair performance as the targets were not met by the UIA.
Strengthening system capacities to enable and harness benefits of coordinated private sector activities	Product Development	103,050,000	96.6	100	100	93	96.27	MSMEs were supported to attend local and international trade fairs
	MSMEs Information Services	34,951,966	96.6	98	100	55.8	57.76	420 MSMEs in the mining and agro-

								processing sector were profiled and captured in the MSMEs database
	Investment Licensing and Aftercare Service	367,000,000	95.3	98	100	85	89.15	Good performance
	Total	164,099,063,912	77.9	100			77.20	
Average Outputs Performance							77.20	Good output performance
Outcomes Performance								
Outcome Indicator				Annual Target	Achieved		Score (%)	Remark
% of businesses having a business expansion plan				20	100		100	Achieved
Global Competitiveness Index				54.6	48.9		90	Good performance
Global Competitiveness Index, ranking				110	0.4		0	Not achieved
% of the informal sector				48.1	-7.2		-15	Not achieved
Value of merchandise exports (Million USD)				4716.8	7941		100	Achieved
% of MSMEs utilizing the services of Research and innovation facilities				20	15		75	Good performance
Proportion of SMEs using digital solutions for key business processes				38	43		100	Achieved
Number of firms using market information systems				5500	2770		50	Not achieved
Number of firms accessing these centres				1000	254		25	Not achieved
Procedures to legally start and formally operate a company (number)				3	3		100	Achieved
Time required to complete each procedure (calendar days)				0.1	0.1		100	Achieved
Proportion of Domestic private sector investment, %				50.8	49.7		98	Achieved
% of MSMEs with an outstanding credit at a financial service provider				19.1	20		100	Achieved
% of SME borrowers as a share of total borrowers (Tier 1-3)				2.5	2.1		84	Good performance
Non-commercial lending to the Private Sector in the key growth sectors as a % of GDP				2.4	0.6		25	Not achieved
Private sector credit as a % of GDP				21.8	22.2		100	Achieved
Share of domestic credit to key growth sectors in total private sector credit				32.5	33.5		100	Achieved

Total value (UGX billions) of outstanding long-term loans (maturity above 5 years) at DFI	832	950	100	Achieved
Total value of private equity investments by government-owned financial institutions (UDB)- UGX billions	0.32	0	0	Not achieved
CIS assets under management (in UGX Trillion)	0.95	2.8	100	Achieved
Domestic market capitalization due to new listings- (UGX, Billion)	5.4	0.48	9	Not achieved
Domestic market capitalization to GDP	4.4	5.4	100	Achieved
Deposits in supervised financial institutions to GDP, %	27.5	29.3	100	Achieved
Life insurance assets to GDP, %	0.8	0.8	100	Achieved
Retirement Assets to GDP	17.1	13.1	77	Good performance
Average Indicator Performance	0	0	73	Good performance
Average Outcomes performance			72.7	
Overall sub-program Performance			75.6	*Good performance*

Source: PBS Reports, IFMS and Field Findings

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