



PRIVATE SECTOR DEVELOPMENT PROGRAMME

Annual Budget Monitoring Report

Financial Year 2024/25



September 2025

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



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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
IBP	Industrial and Business Park
IFMS	Integrated Financial Management System
KIBP	Kampala Industrial and Business Park
MDAs	Ministries, Departments, and Agencies
MoFPED	Ministry of Finance, Planning and Economic Development
MSC	Microfinance Support Centre Limited
MSMEs	Micro, Small, and Medium Enterprises
MTIC	Ministry of Trade, Industry and Cooperatives
NDP	National Development Plan
NEMA	National Environment Management Authority
OSBP	One-Stop Border Post
PDM	Parish Development Model
PPDA	Public Procurement and Disposal of Assets Authority
PSD	Private Sector Development
PSFU	Private Sector Foundation Uganda
SACCO	Savings and Credit Cooperative
SBRF	Small Business Recovery Fund
SMEs	Small and Medium Enterprises
UDB	Uganda Development Bank
UEPB	Uganda Export Promotions Board
UFEPA	Uganda Fish Exporters and Processors Association
UFZA	Uganda Free Zones Authority
UHTTI	Uganda Hotel and Tourism Training Institute
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
UKEF	United Kingdom Export Finance
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
USADF	United States African Development Foundation
USD	United States Dollar
UWRTI	Uganda Wildlife Research and Training Institute



FOREWORD

The Government of Uganda outlined strategies, for FY 2024/25, to restore the economy back to the medium-term growth path with the ultimate vision of a self-sustaining, integrated economy. The strategies emphasized accelerating commercial agriculture, fostering industrialization, and expanding both service sectors and digital transformation. Key areas of focus included enhancing market access and leveraging technological advancements to drive economic growth.

The strategic interventions that were prioritized under various programmes included: roads under Integrated Transport and Infrastructure Services; 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.

The Annual programme assessments have been made, and it was established that performance was fairly good. This implies that programmes are on track, but with a lot of improvements required. The challenges noted, are not insurmountable. These monitoring findings form a very important building block upon which programmes can re-strategize for FY 2025/26.

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.

Partick Ocailap

For Permanent Secretary Secretary to the Treasury



EXECUTIVE SUMMARY

The Private Sector Development (PSD) Programme aims to enhance the private sector's competitiveness, driving sustainable and 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 subcontracts awarded to local firms, and increased value of exports.

The PSD Programme interventions are coordinated by the Ministry of Finance, Planning and Economic Development (MoFPED), with complementary roles from the Ministry of Trade, Industry and Cooperatives (MoTIC), the 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 Organisational Capacity – for the period 1st July 2024 to 30th June 2025.

Overall Programme Performance

The overall output performance for the PSD Programme was good, at 74.9%. Both the Enabling Environment Sub-Programme and the Strengthening Private Sector Institutional and Organisational Capacity Sub-Programme registered good performance. The good programme performance was attributed to the full disbursement under the Parish Development Model (PDM) financial inclusion pillar, which constituted 52.2% of the programme budget. On the other hand, halting of implementation of planned outputs under UFZA and UEPB due to the rationalisation of government institutions affected the realisation of the planned outputs under those two votes. Additionally, the suspension of funding to USAID by the USA affected the realisation of planned outputs under the USADF project.

The PSD Programme approved budget for FY 2024/25 was US\$ 2,046.61 billion, which was revised upwards to US\$ 2,075.16 billion. A total of US\$ 1,824.7 billion (89.2%) was released, and US\$ 1,765.4 billion (96.7% of the release) was spent by 30th June 2025. The release was good, and expenditure performance was very good. MoFPED received the largest share of the budget, at 94.1%, mainly because the PDM funds were allocated under it, while the National Planning Authority (NPA) received the smallest share, at 0.012%. The performance of the sub-programmes is presented below:

Enabling Environment Sub-Programme

The sub-programme performance was good, at 76%. Under the PDM financial inclusion pillar, the cumulative disbursement as at 30th June 2025 stood at US\$ 2,699 billion. *Emyooga* seed capital utilisation stood at US\$ 76.32 billion, benefitting 3,816 *Emyooga* SACCOs, parish-based associations, and enterprises. The total cumulative membership of SACCOs, groups, and cooperatives for FY 2024/25 was 6.4 million for all client-based institutions, with 41% women, 13% youth, and 1% people with disabilities (PWDs). A total of 7740 *Emyooga* institutions were trained, benefitting 40,784 SACCO/association leaders and 171,326 members, while six SACCOs were digitalised, against a target of 50.

Under the coordination and oversight of microfinance services, the microfinance industry legal framework was reviewed, four financial sector risk assessment briefs were developed, and the finance institutions policy was drafted. During FY 2024/25, a total of 544 client projects were supported through credit financing amounting to US\$ 30.867 billion. Of this, US\$ 23.429 billion financed 362 projects under conventional financing, while US\$ 7.438 billion supported 182



Sharia-compliant projects under Islamic financing. The average cost-to-income ratio for FY 2024/25 was 0.91:1, against a target of 1:1.

Under Uganda Investment Authority (UIA), three local investments¹ were profiled in the real estate, health, and mining sectors and linked to targeted FDI companies. A total of 281 investor leads were generated, while six private equity firms were attracted and licensed, with a total investment of USD 86.8 million. Also, 209 SMEs were facilitated and linked to access ICT services through innovation hubs.

At the one-stop centre (OSC), a total of 25,895 transactions were processed through the OSC, translating into 481 licensed projects with a planned investment of USD 3.2 billion and 53,230 anticipated jobs. In addition, 481 investment licences were processed and issued, and the e-Biz portal was redesigned and upgraded to 100%. The terms of reference for the National Investment Management System (NIMS) were developed to 98%.

A total of 426 domestic investors and SMEs were linked to business linkages and opportunities through the national SME portal, and 317 domestic investors were profiled in the SME portal for traceability, access to services, and business. The profiled SMEs were linked to the Consortium for enhancing University Responsiveness to Agribusiness Development Ltd. (CURAD) for incubation services and financing. The planned two compendia with 20 investment opportunities in the agriculture and tourism sectors for the diaspora were not developed by the UIA as planned.

Under industrial park development and management, six investors² were assisted in accessing land for investment purposes. Two land titles were processed for Kashari Agricultural Park. Three feasibility studies were carried out for the Kisoro, Jinja and MMP (located in Buikwe) parks and were submitted to the UIA and the NPA for review and approval.

Infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve progressed rather slowly and was behind schedule owing to the delayed acquisition of sites for the Solid Waste Treatment Plant, SME Park and delayed commencement of the Waste Water Treatment Plant. The overall progress was 59%, with 96% of the contract time elapsed and 68.1% of the actual contract sum certified and paid.

Enterprise Uganda provided business skills training to 25,132 MSMEs, and 845 public and private Business Development Services (BDS) providers benefitted from a Training of Trainers (ToT) session. The BDS training was provided to 6,104 selected PDM SACCO leaders and beneficiaries from Markets and Agricultural Trade Improvement Programme (MATIP) markets, and 15 active *Emyooga* SACCOs. Additionally, 8,962 MSMEs were engaged through digital platforms and the weekly online BDS business recovery series, attracting 11,322 participants. The construction of the BDS Centre of Excellence (CoE) at Butabika was estimated at 96% completion at the end of June 2025, against a planned progress of 100%.

The Bank of Uganda, through the Small Business Recovery Fund (SBRF), disbursed a total of USh 31.68 billion to 1,100 beneficiaries through the participating financial institutions (PFIs) across the country. Opportunity Bank had the highest number of beneficiaries (721), while Finance Trust Bank and Equity Bank had the smallest numbers of beneficiaries, with each having four. The Central Region had the highest number of SBRF beneficiaries with 861, and the Eastern and Northern Regions had the smallest number at 77 and 61, respectively. Despite the notable

¹ Pearl Marina, East African Medical Vitals and Jekofa Granite.

² Roofings Group Ltd, Shengda Industries Ltd, Mukwano Industries Ltd, METL Ltd, Presidential Skilling HUB, and Kwezi Coffee.



improvement in uptake of the SBRF funds compared to the previous financial years, the requirement for land titles as collateral security was still hindering the uptake of the funds.

The redevelopment, retooling, and modernisation of the Uganda Wildlife Education Centre (UWEC) in Entebbe, as well as the reconstruction, expansion, and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese, were completed and handed over to the clients.

The civil works for Phase 1 (the first 50 hotel rooms) of the Uganda Hotel Tourism and Training Institute (UHTTI) were at a 98% completion and in a defects liability period. The additional 30 rooms and Phase II civil works at the training school were completed. The furniture, fittings, and related equipment for the hotel and the school were delivered and were in the final stages of installation. Civil works at the Uganda Museum, including renovation of the main building, construction of the boundary wall, storm water management, and landscaping, progressed to 46% completion as of the end of June 2025.

All the conditions precedent to warranting the disbursement of funds to the Investment for Industrial Transformation and Employment (INVITE) Project were fulfilled. The INVITE Trust was fully constituted and operational, and the Project Implementation Unit (PIU) staff were recruited. The INVITE Trust Project Operations Manual (POM) was prepared and adopted. The Environmental and Social Management Framework (ESMF) and capacity building plan were prepared, adopted, and publicly disclosed. The Project Coordination Unit (PCU) and implementation team at Private Sector Foundation Uganda (PSFU) were fully constituted.

Assorted office furniture and equipment was procured, while the INVITE internal audit manual was developed. Arrangements to establish and capitalise the MSMEs' receivables/factoring platform were ongoing. Implementation of activities in the refugee-hosting districts (RHD) was yet to commence; however, the RHD operations manual was developed, and a Project Advisory Committee for Refugees (PACR) was constituted. The provision of international market and export advisory services to investors was yet to commence.

The UNBS undertook 4,028 market inspections in all regions across the country. The inspections led to the sealing off of 438 premises for non-compliance with standards and the seizure of 1,264,896.92 kg of substandard products. The design review of the Engineering Laboratory at Bweyogerere was concluded, and 108 pieces of assorted furniture and fittings, and various types of ICT hardware were procured. A total of 26,145 samples were tested, and 16 standards for critical electrical appliances were developed.

Funding to United States African Development Fund (USADF) projects was stopped following the Executive Order issued by the President of the United States of America, which disbanded USAID. Subsequently, the beneficiary cooperatives were not monitored since the coordinating office (USADF – Uganda Office) was closed.

Achievement of the planned outputs under the Uganda Free Zones Authority (UFZA) and the Uganda Export Promotions Board (UEPB) was hampered by the rationalisation of government agencies. The two agencies were merged, and a new management structure was provided for continuity. At the time of monitoring in July 2025, the new entity – Uganda Free Zones and Export Promotions Authority (UFZEPA) – had just resumed work, and there were no tangible outputs reported by that time.



Strengthening Private Sector Institutional and Organisational Capacity

The sub-programme performance was good, at 73.86%. Under the capitalisation of Institutions and Financing Schemes, a total of US\$ 34.93 billion was disbursed during FY 2024/25 as government capitalisation of the Agricultural Credit Facility (ACF). Additionally, US\$ 7.74 billion was disbursed as a government subsidy to the Uganda Agricultural Insurance Scheme, US\$ 3.064 billion as government capitalisation of Post Bank (U) Limited, and US\$ 80.6 billion as government capitalisation of Uganda Development Bank.

Sensitisation meetings on trade policy involving both private and public sectors were conducted by the MTIC, with 75 stakeholders attending out of an annual target of 150. A stakeholder meeting on intellectual property (IP) rights was conducted to inform Uganda's position at the African Continental Free Trade Area (AfCFTA). A total of 194 MSMEs were guided on business development guidelines in Bushenyi, Rubirizi, Bunyangabo, and Kasese.

The MTIC also gazetted, printed, and disseminated 500 copies of the Trade Licensing Order, Amendment 2024, and the Trade Licensing (Amendment of Schedule 2) Instrument 2024, for the new cities. Additionally, 2,000 copies of the BUBU Policy, implementation strategy, framework, and user manual were distributed. The principles for the Private Sector Apex Body Bill were finalised in consultation with 30 relevant stakeholders, while the draft Regulatory Impact Assessment (RIA) for the Trade Remedies Bill was developed to address unfair trade practices originating from foreign markets.

The planned five bilateral (Kenya, South Africa, DRC, Algeria, and Ghana) and multilateral meetings at the WTO, AfCFTA, and COMESA to increase market access for locally produced Ugandan goods were not conducted. The detailed study and assessment of various stages of the textile value chain in Uganda, from yarn production to garment manufacturing, was also not conducted due to a funding shortage.

Conclusion

The programme registered good funds release and absorption across the votes. The financial inclusion pillar under the PDM registered notable progress, with disbursements made to eligible SACCOS, and the *Emyooga* SACCOS also registered a similar trend.

Through the capitalisation of the Uganda Agricultural Insurance Scheme (UAIS) and Agriculture Credit Guarantee Facility (ACF), strides were made to support the key growth sectors, especially agriculture. This was complemented by the capitalisation of Post Bank (U) Limited and Uganda Development Bank.

Support was extended to private sector small businesses to facilitate their recovery from the impacts of COVID-19. The SBRF, as one of the initiatives to increase non-commercial lending to support the private sector, exhibited an increase in uptake compared to the previous financial years, though still slow due to the collateral required.

The infrastructure-related outputs aimed at facilitating private sector growth, such as the development and servicing of industrial parks, progressed at a rather slow pace. Most of them were behind schedule, posing a risk of time and cost overruns. Apart from the KIBP-Namanve that was under construction, the other nine existing industrial parks were not serviced during the period under review.

The Private Sector Development programme was further hampered by the suspension of funding to the cooperatives under the USDAF, and the delayed finalization of new structures for the



agencies affected by the government rationalisation program, which resulted in delayed implementation under the new authority-UFZEPA.

Recommendations

1. The Project Coordination Committee for the USADF project and MoFPED should guide on the next steps, especially to the cooperatives, because it is a matching grant between the Government of Uganda and the US Government.
2. The UIA should plan to repackage the works that are yet to commence under the KIBP-Namanve into another phase of funding to avoid further delays. It should also expedite the completion of civil works for the ongoing activities to avoid further delays, cost overruns, and missed opportunities.
3. The Bank of Uganda and participating financial institutions should continue to popularise the SBRF to potential beneficiaries, including special interest groups such as youth and women, and provide alternative collateral to land to ensure increased uptake of the funds.



CHAPTER 1: INTRODUCTION

1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MoFPED) is: “To formulate sound economic policies, maximise revenue mobilisation, and ensure efficient allocation and accountability for public resources to achieve the most rapid and sustainable economic growth and development”.

MoFPED, 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. 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 (MPSs). 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 highlighted the implementation challenges.

The monitoring covered the following Programmes: Agro-Industrialisation; 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 2024 to 30th June 2025.

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 Organisational 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% in 2018/19 to 45% in 2024/25.
- ii. Increase non-commercial lending to the private sector in key growth sectors, from 1.5 % in FY 2018/19 to 3% of gross domestic product (GDP).
- iii. Increase the proportion of public contracts and sub-contracts that are awarded to local firms, from 30% to 80%.
- iv. Increase the value of exports from USD 3,450.7 million in FY 2017/18 to USD 4,973 million.



CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report was based on interventions under the PSD Programme implemented during FY 2024/25. The monitoring process involved analysing and tracking 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 11 (73%) out of 15 interventions under the PSD Programme Implementation Action Plan were monitored (Annex 1).

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 a higher allocation of funds were prioritised.
- 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 prioritised.
- 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 was 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 Local Governments (LGs) for monitoring.

To aid in mapping the PIAP interventions against annual planned targets stated in the Vote MPSs and quarterly work plans, 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 of key policy documents, including MPSs for FY 2024/2025; National and Programme Budget Framework Papers; A Handbook for Implementation of NDPIII Gender and Equity Commitments, PIAPs, the 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-mémoires 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, service beneficiaries, observation, and photography for primary data collection.
3. Call-backs in some cases, which 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 criteria presented in Table 2.1.

Based on the rating assigned, a colour-coded system was used to alert policymakers and implementers to 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 utilisation of funds (expenditure) against release.

Table 2.1: Assessment guide to measure performance in FY 2024/25

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 external financing as this aspect is not accessible on the IFMS.
- iii) Lack of planned targets for some outputs, which affects the analysis of performance.



- iv) Lack of information on the achievement of programme outcome indicators. This hindered the assessment of outcome performance.

2.5 Structure of the Report

The report is structured into four chapters. These are: Introduction; Methodology; Programme Performance; and Conclusion and Recommendations.

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

The overall output performance for the PSD programme was good, at 74.9%. Both the Enabling Environment Sub-Programme and the Strengthening Private Sector Institutional and Organisational Capacity Sub-Programme registered good performance (Table 3.1). The good programme performance is attributed to the full disbursement under the PDM financial inclusion pillar, which constituted 52.2% of the programme budget. On the other hand, halting the implementation of planned outputs under UFZA and UEPB due to the rationalisation of government institutions affected the realisation of the planned outputs under those two votes. Additionally, the suspension of funding to USAID by the USA government affected the realisation of planned outputs under the USADF Project.

Table 3.1: Physical performance of the PSD Programme by 30th June 2025

Sub-Programme	Performance (%)	Remark
Enabling Environment	76.6	Good performance
Strengthening Private Sector Institutional and Organisational Capacity	73.86	Good performance
Average	74.9	Good performance

Source: Field Findings

The PSD Programme approved budget for FY2024/25 was US\$ 2,046.61 billion, which was revised upwards to US\$ 2,075.16 billion. A total of US\$ 1,824.7 billion (89.2%) was released, and US\$ 1,765.4 billion (96.7% of the release) was spent by 30th June 2025 (Table 3.2). The release was good, and expenditure performance was very good. MoFPED had the largest share of the budget, at 94.1%, while the NPA had the smallest, at 0.012%. The detailed financial performance per MDA is presented in Table 3.2.

Table 3.2: PSD Programme financial performance by 30th June 2025 (US\$ billion)

Vote	Approved Budget	Releases	Expenditure	% Budget released	% Release spent
Ministry of Finance, Planning and Economic Development	1,927.8	1,710.3	1,657.5	88.7	96.9
Ministry of Trade, Industry and Co-operatives	2.4	2.7	2.7	111.8	98.3
Ministry of East African Community	1.7	1.7	1.7	100	100
National Planning Authority (NPA)	0.3	0.3	0.3	100	100
Uganda Registration Services Bureau	9.5	13.6	12.3	143	90.7
Uganda Export Promotion Board	6.7	-	-	0	0
Uganda Investment Authority (UIA)	12.5	17.5	16.5	140	94.7
Public Procurement & Disposal of Public Assets	1.3	1.3	1.3	100	100
Uganda National Bureau of Standards	50.9	57.9	56.3	113.8	97.2
Uganda Free Zones Authority	7.2	-	-	0	0
Uganda Microfinance Regulatory Authority	8.5	2.1	-	24.2	0
Uganda Retirement Benefits Regulatory Authority	13.4	13.4	11.7	100	87.4



Vote	Approved Budget	Releases	Expenditure	% Budget released	% Release spent
Embassies and High Commissions ³	1.5	3.0	2.9	199.6	96.8
Local Governments 07	3.0	1.1	1.1	37.5	100
Total for the Programme	2,046.6	1,836.5	1,772.5	89.2	96.7

Source: IFMS and PBS FY 2024/25

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 sub-programme performance was good, at 76%. Some of the good performing interventions include creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth, and addressing non-financial factors (power, transport, ICT, business processes etc.) leading to high costs of doing business. The intervention entailing developing and implementing a holistic local content policy, legal and institutional framework posted the least performance, at 50%. The performance of the monitored interventions ranged between fair and good, as summarised in Table 3.3.

Table 3.3: Performance of interventions under the Enabling Environment Sub-Programme by 30th June 2025

Intervention	Colour Code pc	Remark
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	83.7	Good performance
Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas	61.1	Fair performance
Strengthen system capacities to enable and harness the benefits of coordinated private sector activities	75.8	Good performance
Increase access to affordable credit, largely targeting MSMEs	74.5	Good performance
Increase access to long-term finance	62.5	Fair performance
Develop and implement a holistic local content policy, legal and institutional framework	50	Fair performance
Fully service the industrial parks and increase access to them by the local private players	75	Good performance
Address non-financial factors (power, transport, ICT, business processes etc.) leading to high costs of doing business	83.8	Good Performance
Rationalise and harmonise standards, institutions, and policies at local and regional levels	81.1	Good Performance

Source: Field Findings

³ 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 Creating 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 FY 2024/25 include: investment climate advisory; private sector development services; public enterprises restructuring services; industrialisation acceleration; job creation; and construction of the Business Development Services (BDS) Centre in Butabika. The overall intervention performance was good, at 83.7%. The detailed output performance under the intervention is presented below:

Investment climate advisory: The plan was to generate and produce a trade and investment performance and prospects report for FY 2023/24, a Micro-economic Indicator Dashboard (MIND), and the competitiveness and investment annual report.

By the end of FY2024/25, the competitiveness and investment updates report was prepared, and quarterly fast facts on trade and investments reports were prepared and published. The monthly MIND reports were prepared and uploaded on the development policy portal (<https://development.finance.go.ug/>). Strategic guidance, oversight, and direction were provided to the INVITE and GROW Projects. Subsequently, two Project Steering Committee (PSC) meetings were convened, and the quarterly management reports on the performance of INVITE and GROW Projects were prepared.

Private Sector Development Services: The plan was to conduct the Private Sector CEO Bi-Annual PCF Retreat, carry out four benchmarking visits to model agricultural and industrial companies, update the CEO database, implement a business licensing reform agenda, produce 146 District Investment Profiles (DINE), publish a State of the Nation's Enterprises (STANE) report, and publish the Annual Statistical Yearbook 2023, among others.

By 30th June 2025, the 5th Biannual Presidential CEO forum retreat was finalised, a report was produced, and the 13 resolutions made during the retreat were adopted by H.E. the President. Four benchmarking visits to model agricultural and industrial companies were conducted, and the CEO database was updated to 10,000. A total of 130 out of the planned 40 small informal businesses in Kampala were identified and trained in basic starter entrepreneurial tools, Impretec training, and key accounting tools. This was aimed at supporting them to formalise.

The Annual Statistics Yearbook 2023 was produced, while the draft business licensing reform report was produced. District investment profiles of 175, against an annual target of 146 districts, cities, and municipalities, were produced. A concept note to guide the publication of the State of the Nation's Enterprises (STANE) report was produced. Edition II (FY 2022/23 Issue) and Edition III (FY 2023/24 Issue) of the Corporate Uganda Report were completed, while a concept note for Issue IV (FY 2024/25) was developed.

The zonal PSD platforms were identified and profiled, and a Draft Subregional Competitiveness Index (SRCI) tool was developed. A total of eight trainings were conducted to support collective saving schemes under ICAU. To develop an incubation model for universities, a total of 12 value chain profiles were produced, which included fish, coffee, grain, vegetable oil, cassava, tourism, dairy, cocoa, leather, horticulture, and animal feeds.

Public enterprises restructuring services: The plan was to provide technical support in sourcing investment partners for public enterprises, undertake settlement of liabilities under the official receiver (URSB), provide concession oversight and monitoring for Dairy Corporation Limited (DCL), Uganda Livestock Industries (ULI) and Uganda Seeds Limited (USL), produce oversight/restructuring/monitoring reports for Nile Hotel and public



enterprises, and support the amendment of the Public Enterprise Reform and Divestiture (PERD) Act.

By 30th June 2025, MoFPED had provided technical support in identifying investment partners for Uganda Telecommunications Corporation Ltd (UTCL) and Kilembe Mines Limited (KML), and the evaluation report for the investor for KML was completed. Periodic reviews of all partially divested public enterprises were undertaken. The KML was supported in preparing for the AGM, negotiating with the potential investor, and concluding the Mineral Production Sharing Agreement (MPSA). In addition, the UEDCL was supported in preparing for the takeover of UMEME and in raising funds for the UMEME buyout, in addition to raising funds for investment post-UMEME. Technical support was also provided to UTCL in its engagement with joint venture partners.

MoFPED engaged with URSB on settling the liabilities of former UEB employees and on confirming and verifying the Government's shareholding in New Vision over the years. Technical support was also provided to verify and resolve issues regarding the terminal benefits of the former employees of Apollo Hotel and Nytil, in particular Mr. Mallon Dobayo.

Oversight and monitoring of assets for concessioned (divested) companies was undertaken. Uganda Railways Corporation (URC) properties with missing titles for Tororo, Masindi, and Jinja were reviewed and submitted. Legal advice on Aswa Ranch was provided and submitted to the Attorney General's Office for further guidance. A briefing paper on the inventory of public enterprises and residual assets under PERD was prepared. Technical support was offered to Brookside regarding disposal of their obsolete assets and renewing the lease for their land. Uganda Livestock Industries (ULI) was supported in preparing its audited books, and a report was prepared and presented to the PSST. An Audit of Uganda Seeds Ltd was undertaken while the PERD Act was amended by Parliament and is awaiting the President's assent.

Business Development Services (Enterprise Uganda): The plan was to provide business-related training and construct the National BDS Centre in Butabika. The performance is presented hereunder:

By 30th June 2025, Enterprise Uganda provided business skills training to 25,132 MSMEs, against a target of 15,000, with 46% female attendance. In addition, 845 public and private BDS providers benefitted from a Training of Trainers (ToT) session, against a target of 200. The BDS training was provided to 6,104 selected PDM SACCO leaders and beneficiaries from the Markets and Agricultural Trade Improvement Programme (MATIP) markets, and 15 active *Emyooga* SACCOS. Additionally, 8,962 MSMEs (annual target 4,000) were engaged through digital platforms and the weekly online BDS business recovery series, attracting 11,322 participants.

The national Business Development Services (BDS) framework stakeholder awareness session was successfully organised, comprising 15 individual providers (19.7%) and 61 organisations (80.3%), and the national BDS framework was presented to the Private Sector Development Unit (PSDU). A draft Regulatory Impact Assessment (RIA) to guide the development of a National BDS Policy was undertaken.

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 US\$ 25.233 billion. The contract start date was 20th June 2022, with an original end date of 20th February 2024, which was revised to 30th June 2025, and a defects liability period of 365 days.

The scope of works includes: construction of an ultra-modern office (seven storeys high with three floors of basement parking, and four floors of main tower, and external works including paved distributor and access roads, and parking). The construction of the BDS Centre of Excellence (CoE) was estimated at 96% completion at the end of June 2025, against a planned progress of 100%. The pending works were the final electrical installation in the conference halls, and addressing some snags.



L: A substantially completed Business Development Services (BDS) Centre in Butabika. R: The conference area of the BDS Centre in Butabika, Nakawa Division, Kampala City.

3.2.2 Undertaking strategic and sustainable government investment and promoting private sector partnerships in key growth areas

The intervention aims at strengthening the role of Government in unlocking investment in strategic economic sectors. The outputs under the intervention for FY 2024/25 are business development services under the United States African Development Fund (USADF), and industrialisation acceleration and job creation. The intervention performance was fair, at 61.1%.

Business Development Services: Under this output, business development services are delivered by the United States African Development Fund (USADF) through its support to producer organisations.

A Memorandum of Understanding (MoU) for a 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.

The country portfolio of supported grantees was 29 cooperatives that received support from the USADF until December 2024. However, funding to United States African Development Fund (USADF) projects was stopped following the Executive Order issued by the President of the United States of America, which disbanded USAID. Subsequently, the beneficiary cooperatives were not monitored since the coordinating office (USADF–Uganda Office) was closed. At the time of monitoring, MoFPED was engaging the US Embassy in Uganda on the next steps with regard to the fund.

Industrialisation acceleration and job creation: During the period under review, the UIA planned to support 28 inward investment exploratory missions, develop bankable projects, profile existing local investments, participate in four regional/international investment fora targeting 24 companies with investment information and follow-up, and update the UIA My-investor M&E web-based system on actual investments in the country.



By 30th June 2025, a total of three local investments were profiled in the real estate, health, and mining sectors, and were linked to targeted FDI companies (Pearl Marina, East African Medical Vitals, and Jekofa Granite). A total of 87 inward investment exploratory missions from 26 countries⁴ were supported. Additionally, 281 investor leads were generated with interest in investing in ICT, financial services, agriculture, oil and gas, renewable energy, and manufacturing.

A total of six private equity firms were attracted and licensed, with investments amounting to USD 86.8 million. In addition, 94 companies were monitored, reflecting actual investments worth USD 426.5 million and generating 14,186 jobs. Also, 209 SMEs were facilitated and linked to access ICT services through innovation hubs. The development of two compendia with 20 investment opportunities developed in the agriculture and tourism sectors for the diaspora was not undertaken due to inadequate funding.

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

The intervention aims at strengthening the organisational and institutional capacity of the private sector to drive growth. The monitored outputs were: business development services; management of ICT systems and infrastructure; an investment climate advisory; Microfinance Support Centre services; the PDM Financial inclusion pillar; and support for financial inclusion. The intervention performance was good, at 75.8%.

Business development services and management of ICT systems and infrastructure: The plan under the Competitiveness and Enterprise Development Project (CEDP) included: furniture and ICT equipment procured; the Meetings, Incentives, Conventions, and Events (MICE) operationalised; infrastructure development completed; and the tourism grant implemented.

By 30th June 2025, the redevelopment, retooling, and modernisation of the Uganda Wildlife Education Centre (UWEC) in Entebbe, as well as the reconstruction, expansion, and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese, were completed and handed over to the clients.

The civil works for Phase 1 (the first 50 hotel rooms) of the Uganda Hotel Tourism and Training Institute (UHTTI) were at a 98% completion and in a defects liability period. The additional 30 rooms and Phase II civil works at the training school were completed. The furniture, fittings, and related equipment for the hotel and the school were delivered and were in the final stages of installation. Civil works at the Uganda Museum, including renovation of the main building, construction of the boundary wall, stormwater management, and landscaping, progressed to 46% completion by the end of June 2025.

⁴ USA, Canada, India, China, South Korea, France, Kenya, UAE, South Africa, Poland, Egypt, Israel, Germany, Botswana, Sri Lanka, UK, Malaysia, Ethiopia, Iran, Denmark, Sudan, Angola, Eritrea, Rwanda, Taiwan, and Russia.



Ongoing renovation works at the Uganda Museum, Kampala City.

The refurbishment, remodelling, modernisation, and retooling of the lab storage facilities at the Uganda Museum commenced on 16th August 2024 and was expected to end in April 2025; however, World Bank funding expired on 30th November 2024. The scope of works includes, among others, the construction of a perimeter wall; restoration of the roofs; creating new storage with a laboratory;

creating office space; installing a lift; stormwater management; rehabilitation of galleries; construction of new toilet facilities; curing the walls; and reinstating them to the old look. Following the expiry of the funding period by the World Bank, the funding for ongoing works under the Uganda Museum was transferred to the GoU normal budget programming.

The overall progress of the civil works was estimated at 46% by 30th June 2025. The superstructure of the toilet and the excavation of the lift area had been completed. The weak plaster on the walls was removed. At the reception area, the old toilets were demolished and the walls strengthened to support the planned rooms on the upper floor, and work was ongoing. The project faced challenges, including unfavourable weather conditions and delayed approval to start work.

Investment climate advisory: The Investment for Industrial Transformation and Employment (INVITE) Project was expected to deliver its outputs under this component. The project objective is to mitigate the effect of COVID-19 on private sector investment and employment and to support new economic opportunities, including in refugee and refugee-hosting communities.

The USD 218 million INVITE Project (of which USD 96 million is a loan, USD 104 million is a grant, and USD 18 million is a Multi-Donor Trust Fund (MDTF)) is aimed at creating private-sector manufacturing jobs and increasing incomes across Uganda by supporting manufacturing and exporting firms. The project will operate a range of products through the Private Sector Foundation Uganda and the Bank of Uganda.

The total disbursement by 30th June 2025 was USD 43.9 million (20.1% of the project budget), of which USD 0.334 million (7.6%) was absorbed within the same period.

By 30th June 2025, all the conditions precedent to warranting the disbursement of funds to the INVITE Project were fulfilled. The INVITE Trust was fully constituted and operational, and the Project Implementation Unit (PIU) staff were recruited. The INVITE Trust Project Operations Manual (POM) was prepared and adopted. The Environmental and Social Management Framework (ESMF) and capacity-building plan were prepared, adopted, and publicly disclosed. The Project Coordination Unit (PCU) and implementation team at PSFU were fully constituted.

Office space for the INVITE Trust was obtained, and assorted office furniture and equipment were procured. The risk and audit charters, the INVITE internal audit manual and



communications strategy, and the Project Education, Information and Communication Materials (IECM) were developed.

To enhance capabilities in the private firms, the PSFU developed the export firm support operations manual, constituted and inducted the Export Firm Support (EFS) Coordination Committee (comprising PSFU, MTIC, UIA, MoFPED, UFEPA, and UMA) and contracted a consultancy firm for international market and export advisory services (CH Consulting Group from Portugal). The PSFU also conducted awareness and outreach activities across the Central Region – Kampala (55 participants), Eastern Region (47), and Western Region (150) –, engaging a total of 252 MSMEs. The initial screening of applicants under the first call for proposals was completed, resulting in 103 applications from various sectors being recommended for second-level processing.

Arrangements to establish and capitalise the MSMEs receivables/factoring platform were ongoing. Implementation of activities in the refugee-hosting districts (RHD) was yet to commence; however, the RHD operations manual was developed, and a Project Advisory Committee for Refugees (PACR) was constituted. The project was affected by the delayed approval by Parliament (December 2021 and May 2023) and the delayed fulfilment of the condition's precedent, leading to delayed commencement.

Microfinance Support Centre (MSC) services: Under the Parish Development Model (PDM) financial inclusion pillar, the cumulative disbursement as at 30th June 2025 stood at US\$ 2,699 billion. A total of 7,740 *Emyooga* institutions were trained, benefitting 40,784 SACCO/association leaders and 171,326 members, while six SACCOs were digitalised, against a target of 50. A total of 1,476, out of the planned 2,000 *Emyooga* SACCOs, were supported to renew their registration and 103, against the planned 50 weak SACCOs, were strengthened. *Emyooga* seed capital utilisation stood at US\$ 76.32 billion, benefitting 3,816 *Emyooga* SACCOs, against a target of 2,500 SACCOs, parish-based associations, and enterprises. As at the end of June 2025, *Emyooga* savings had grown to US\$ 94.32 billion, and cumulatively, 472,172 jobs were created.

To increase strategic collaborations with development or collaborating partners, the MSC has engaged five out of the planned 10 partners, including Uganda Industrial Research Institute (UIRI), Nakawa Vocational Training College, the Ministry of Water and Environment (MWE) and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) for implementing the FIEFOC and ENABLE Projects, respectively.

The total cumulative membership of SACCOs, groups, and cooperatives for FY 2024/25 was 6.4 million for all client-based institutions, with 41% women, 13% youth, and 1% PWDs. In addition, six (10%) out of the projected 60 SACCOs were digitalised. By the end of FY 2024/25, 81% of the districts and 42% of the constituencies in the country had at least one agency/demonstration SACCO, group or microfinance institution (MFI), against the quarterly target of 50% coverage at constituency level.

Under the coordination and oversight of microfinance services, the microfinance industry legal framework was reviewed, four financial sector risk assessment briefs were developed, and the finance institutions policy was drafted. During FY 2024/25, a total of 544 client projects were supported with credit financing amounting to US\$ 30.867 billion. Of this, US\$ 23.429 billion financed 362 client projects under conventional financing, while US\$ 7.438 billion financed 182 Sharia-compliant client projects under Islamic financing. The average cost-to-income ratio for FY 2024/25 was 0.91:1, against a target of 1:1.



The MSC Board approved the Katale loan product, and a financial product concept paper for Presidential Industrial Hubs was developed. Market research with the aim of identifying gaps and proposing new client-centric products was carried out to inform the new Strategic Plan.

PDM financial inclusion pillar: The plan was to disburse US\$ 25 million to each PDM SACCO every quarter, disburse and efficiently utilise parish revolving funds by eligible beneficiaries, ensure that parish revolving funds fully reach the rightful beneficiaries and are effectively utilised as per the guidelines, and build capacity at local governments to effectively implement the parish revolving funds.

By 30th June 2025, the PDM SACCOs were fully capitalised with US\$ 100 million each for FY 2024/25, and this resulted in a cumulative Parish Revolving Fund capitalisation of US\$ 3,260 billion as at June 2025. Two regional assessments and backstop technical assistance to respective LGs were undertaken to improve disbursement to last-mile beneficiaries and 12 performance policy beliefs were produced to enable management to guide proper implementation of the PDM. Some of the challenges identified in the implementation of the PDM included incomplete information details in the PDMIS, and underpayment of the beneficiaries, among others.

Support to financial inclusion: The plan was to strengthen 2,190 Community Savings and Credit Groups (CMSGs) in 146 districts, strengthen 438 SACCOs in 146 districts, enhance stakeholder partnerships and collaborations, and support and strengthen monitoring, evaluation, knowledge management and learning.

By 30th June 2025, a total of 1,821, out of the planned 2,190 CMSGs, were strengthened through training. A total of 484, out of the planned 438 SACCOs, were strengthened through practical training/ peer-to-peer learning in business development services and financial literacy. In addition, 144 SACCOs were mentored in business development services and cooperative governance, and 118 district staff received Training of Trainers (ToT) sessions on PDMIS and *WENDI* Wallet- online academy.

The Microfinance Forum (MFF) was revived. It was structured alongside five working groups and 15 sub-committees with membership comprising MDAs, industry associations, private sector players and civil society organisations. To support and strengthen monitoring, evaluation, knowledge management and learning, 17 field-level data verification activities were conducted, and six working sessions on data analysis were conducted.

3.2.4 Increasing 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 FY 2024/25 include: coordination and oversight of microfinance services provided; private sector development services offered; oversight and coordination of the non-banking sector provided; and the small business recovery fund implemented. Overall intervention performance was good, at 74.5%.

Coordination and oversight of microfinance services provided: The plan was a harmonised legal framework that enables microfinance industry development; a sound and stable financial sector; improved stability in the financial sector; enhanced coordination of financial sector regulators; and production of quarterly performance reports of the financial sector.

By 30th June 2025, the microfinance industry legal framework was reviewed. Four financial sector risk assessment briefs were developed. The fixed income policy was being developed to provide alternative long-term financing in Uganda's financial sector. The stakeholder comments on the Financial Institutions Act amendments were incorporated for review. The



financial sector performance report for the months of July–December 2024 was developed, and a paper on virtual assets was developed and presented to Cabinet.

Private Sector Development Services: This was implemented under the Enhancing Growth and Productivity Opportunities for Women Enterprises (GROW) Project. The plan was to enable 1,563 women entrepreneurs to access loan products through banks, MFIs and SACCOs; skill 15,000 beneficiaries and provide them with business development services; retain 22 staff; undertake office maintenance and operations; and conduct internal and external audits.

By 30th June 2025, all the required staff to support the GROW Project were recruited. A total of 2,549 women entrepreneurs were provided with funds in the three set funding levels as follows: Level 1 (US\$ 4 million–20 million) with 1,834 beneficiaries, representing 72%; Level 2 (US\$ 20+ million to 40 million) with 375 beneficiaries, representing 14.7%; and in level 3 (US\$ 40+ million to 200 million) with 340 beneficiaries, representing 3.3%. The cumulative amount of the GROW Loan disbursed within the three funding levels was US\$ 63 billion, representing 52.5% of the committed funds.

The main purpose of the loan is to improve women's businesses across the supported sectors of agriculture and agro-processing, trade and retail businesses, as well as social services. The skills component implemented by the PSFU is being redesigned to take on more women who have benefitted from the GROW Loan in the areas of skills identified.

There was a redesign of sub-component 1C to focus on the GROW Loan borrowers' skills and business development services, as well as women who completed the core skills and those participating on the Women Entrepreneurship Platforms (WEPs). Two field monitoring visits involving GROW staff and assistants were conducted to women trained in skills and business development services in refugee-hosting districts, resulting in the documentation of experiences and stories. No staff learning visit was conducted.

Oversight and coordination of the non-banking sector provided: The plan was to develop *Emyooga* guidelines and implementation reports every quarter; harmonised the Tier IV Act; update the database on the financial sector and harmonised and effective capital markets; and produce progress reports on the performance of the Agriculture Insurance Scheme.

By 30th June 2025, the *Emyooga* programme guidelines were developed and approved by Cabinet, the Tier IV Act was rationalised through the RAPEX process, and two microfinance industry performance reports were produced. The financial sector risk assessment report was produced, the Capital Markets Development Committee meetings were conducted, and the Agriculture Insurance Scheme performance report was produced as planned.

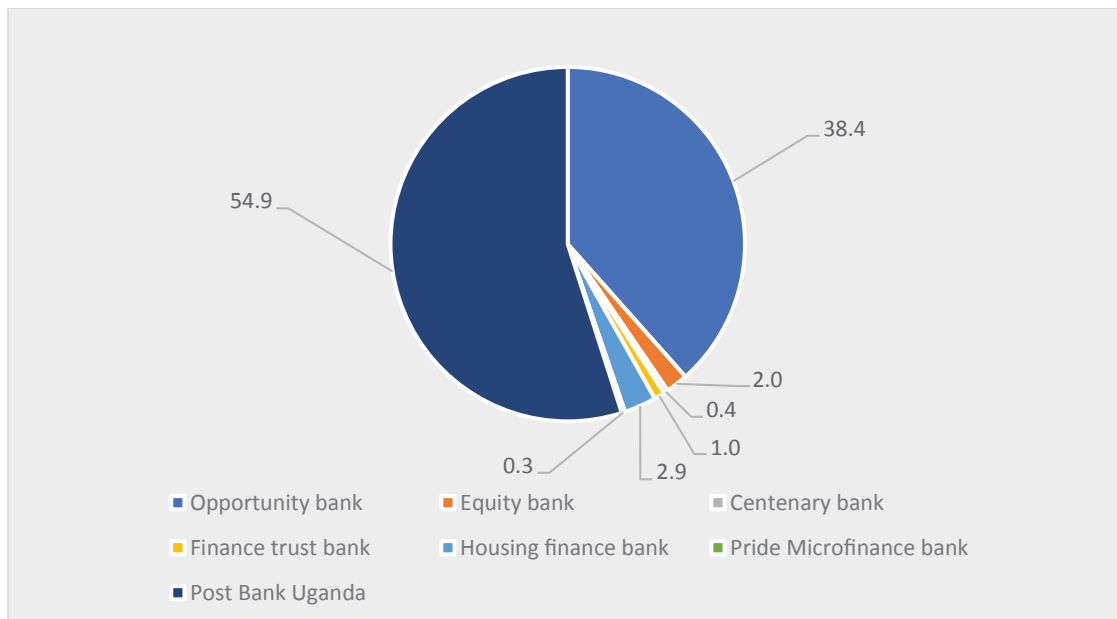
Small Business Recovery Fund implemented: The Bank of Uganda received US\$ 100 billion in 2020 from the Government to capitalise the Small Business Recovery Fund (SBRF) in order to facilitate the provision of loans to small businesses that suffered financial distress from the effects of COVID-19. The banks/participating financial institutions (PFIs) are required to match the GoU funds with a 50% contribution.

By 30th June 2025, the Bank of Uganda, through the SBRF, disbursed a total of US\$ 31.68 billion to 1,100 beneficiaries through the PFIs across the country.

Opportunity Bank had the highest number of beneficiaries (721), representing 65.5%, while Finance Trust Bank and Equity Bank had the smallest number of beneficiaries, with each having four, representing 0.5% each. On the other hand, Post Bank Uganda had the highest loan disbursement, amounting to US\$ 17.4 billion (54.9%), followed by Opportunity Bank

with US\$ 12.17 billion (38.4%). The other five PFIs shared the remaining 6.6%, with the highest disbursing 2.9% and the least disbursing 0.3%, as shown in Figure 3.1.

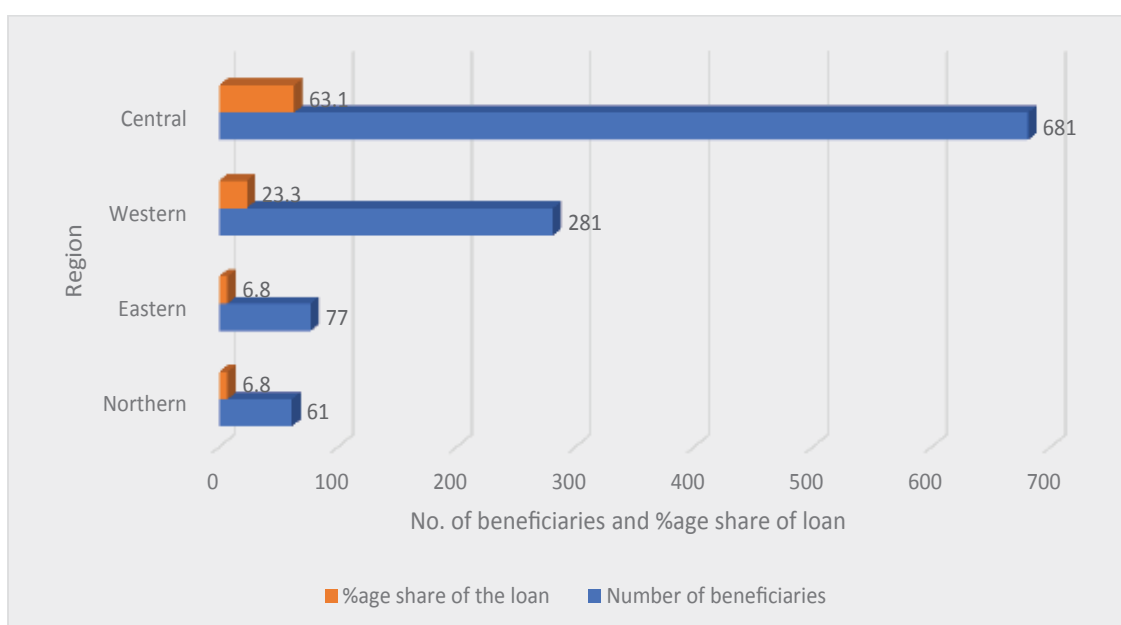
Figure 3.1: Percentage share of the loan disbursement by the participating financial institutions as at 30th June 2025



Source: SBRF disbursement lists as at 30th June 2025

The Central and Western Regions accounted for the highest number of beneficiaries (962, representing 87.5%) and loan amount disbursed (US\$ 27.3 billion, representing 86%) by 30th June 2025. The Central Region had the highest number of SBRF beneficiaries with 861 (63%), and accounted for the highest loan amount disbursed (US\$ 20 billion). The Eastern and Northern Regions had the smallest number of beneficiaries with 77 (7%) and 61 (5.5%) respectively, and shared 14% of the loan disbursed by 30th June 2025.

Figure 3.2: Number of SBRF beneficiaries and percentage share of the loan by region as at 30th June 2025



Source: SBRF disbursement lists as at 30th June 2025



Despite the notable improvement in uptake of the SBRF funds compared to the previous financial years, the requirement for land titles as collateral security was still hindering the uptake of the funds.

3.2.5 Increasing 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, at 62.5%.

Financial sector policy and oversight: The plan was that national development finance institutions would be developed; credit reference bureau regulations would be reviewed; measures for credit guarantee schemes would be developed; performance reports on the development finances in Uganda would be produced; and the process of the financial sector legal and regulatory framework would be harmonised.

By 30th June 2025, the draft of the National Development Finance Institutions Policy was finalised. This policy is aimed at guiding the operations of development finance institutions in the country. In addition, the draft review comments on the credit reference bureau regulatory frameworks were under consideration by the Bank of Uganda, the regulatory agency of credit reference bureaus (CRBs).

The review and amendment of the memorandum of agreement for the Agricultural Credit Guarantee Scheme (ACF) had commenced. Inputs into the savings framework, the retirement benefits performance, and the EAC financial sector harmonisation process were provided. Additionally, a policy brief on the ACF performance was produced.

3.2.6 Developing and implementing 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 FY2024/25 was investor education and stakeholder facilitation. The overall intervention performance was fair, at 50%.

Investor education and stakeholder facilitation: The Uganda Investments Authority (UIA) planned to undertake four domestic investment outreach programmes; develop investment clusters along the NDP III value addition growth line; actualise the profiling and interactive servicing of 20 youth and 50 SMEs captured in the database; and develop two evidence-based feasibility studies and four bankable projects to support investment. Others were to facilitate and link 160 domestic investors to access ICT services through innovation hubs; develop two investment value chain clusters along the NDP III growth areas for value addition; link 160 domestic investors to business linkages and opportunities through the national SME portal; and profile 480 domestic investors into the national SME portal and the national SME database.

By 30th June 2025, eight out of the planned four outreach programmes were carried out, resulting in sensitisation of 1,300 SMEs in Nebbi and Gulu regarding accessing SBRF and ACF with the Bank of Uganda. The UIA also supported 34 direct investments at the Kasese tourism and investment forum (exhibition, profiling, and one-stop centre (OSC) services). A total of 57 SMEs were assisted at the Wakiso youth investment forum by profiling on the SME portal, business formalisation, and product standardisation.

At the 45th anniversary celebration of the Uganda Small Scale Industries Association (USSIA), 48 direct investments were profiled, and OSC services were showcased. Also, 30 female



domestic investors were provided with linkages to finance, markets, and technology during the Academy for Women Entrepreneurs (AWE) market day.

A total of 209 SMEs were facilitated and linked to access ICT services through innovation hubs. This was against the annual target of 160 domestic investors. Through targeted SME facilitation, the UIA focused on identifying, nurturing, and promoting innovative business ideas while providing business development services to enhance the competitiveness and sustainability of these enterprises. This targeted 600 SMEs as follows: 84 in Western Uganda, 500 in the Central Region, and 20 in Northern and Eastern Uganda.

Additionally, 426 domestic investors and SMEs were linked to business and opportunities such as access to finance through the national SME portal. At least, 317 SMEs were profiled in the SME portal for traceability, access to services, and business. The profiled SMEs were linked to CURAD for incubation services and financing from Uganda Development Bank (UDB). The UIA developed two investment value chain clusters along NDP III growth areas for value addition (Maize Value Addition Cluster – Kiboga District, and Fruit and Juice Processing Cluster – Soroti District).

3.2.7 Fully serviced industrial parks and increasing 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 making available serviced industrial parks to attract both domestic and foreign direct investment (FDI), and reduce operational costs incurred by investors. The monitored output for FY 2024/25 is industrial parks developed and managed. The overall intervention performance was good, at 75%.

Industrial park development and management: The plan was to manage 10 operational industrial parks, assist 20 investors in accessing land for investment purposes, secure the land title for one industrial park, and undertake two feasibility studies for the development of industrial parks.

By 30th June 2025, 10 industrial parks were monitored, including Namanve, Bweyogerere, Luzira, Mbale, Jinja, Soroti, Kaseke, Masindi, Kashari, and Kapeeka. Six investors were assisted in accessing land for investment purposes. These included Roofings Group Ltd, Shengda Industries Ltd, Mukwano Industries Ltd, METL Ltd, the Presidential Skilling Hub, and Kwezi Coffee. In addition, two land titles were processed for Kashari Agricultural Park.

Three feasibility studies for Kisoro and Jinja Industrial Parks were carried out during the period under review, following an MoU signed between the UIA and Lagan Abubaker JV. The MMP Buikwe Industrial Park also carried out feasibility studies, which have been submitted to the UIA and the NPA for review and approval. In addition, the UIA signed an MoU with M/s BHM Construction International (UK) Ltd for the infrastructure development of industrial parks, and feasibility studies for Kisoro, Nebbi, Pader, and Rukungiri districts, and submitted the feasibility studies after acquiring the Environmental and Social Impact Assessment (ESIA) approval from NEMA.

The UIA also commenced detailed profiling of the status for SME investors who rent warehouses and operate in the Kampala Industrial and Business Park (KIBP). Progress on the development of infrastructure is presented hereafter.



The Kampala Industrial and Business Park Project: A commercial Engineering, Procurement, and Construction (EPC) contract for the infrastructure development of Kampala Industrial and Business Park (KIBP) was signed in 2018 between the Government of Uganda through the UIA and M/s Lagan in a joint venture with M/s Dott Services that transformed into M/s Lagan Dott Namanve Limited (LDNL) at a cost of EUR 215,065,212.41. The project is funded by the GoU with support from the 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 an Environmental and Social Impact Assessment Study (ESIAS) conducted; detailed engineering designs provided; 45 km of road network and associated bridges constructed; a water distribution network including water reservoirs constructed; a sewerage network including a Wastewater Treatment Plant (WWTP) and a Solid Waste Treatment Plant (SWTP) constructed; power services including supply constructed; a 33 kV single-core cable laid; an internet fibre optic cable laid; CCTV services installed; solar street lighting constructed; and a Small and Medium Enterprise Park developed.

By 30th June 2025, the infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve physical was estimated at 59%, against the planned progress of 96%. The financial progress was at 68.1%, including advance payment. The project was significantly behind schedule, with minimal indication of addressing the recommendations made in the previous reviews.

Road construction was at 61%, against a target of 85%. The road network in the North Estate was substantially complete at 94%, while the South B Estate lagged at 28% completion. Construction of the water supply and sewerage network was at 51%. Whereas the water supply progressed to 74%, the sewerage network was at 55%, and the water reservoir had not commenced. Construction of power supply services progressed to 20.83%, against a target of 70%.

The laying of fibre optic cables and fibre optics was each at 23%, against a target of 70%. Construction of street solar lighting and traffic lights was at 13.25%, and CCTV service installation progressed to 23%. The solid waste treatment facility and SME Park were both at zero (0%) progress owing to the lack of land for their construction. The land for the Wastewater Treatment Plant (WWTP) was identified within the KIBP, and approval by the NEMA was obtained. However, the construction of the facility had not commenced.

It was observed that both the Technical Committee and the Steering Committee hardly met to guide progress and address the issues arising between the contractor and the client, as stipulated in the contract. The plan to set up a Dispute Adjudication Board (DAB) to deal with some of the contract-related issues was taking longer than required to have the project completed according to the revised schedule.



L-R: A nearly completed walkway and drainage channel. Guardrail installation in the North Estate of the Kampala Industrial and Business Park, Namanve, Mukono District.

The overall project performance was poor, with less than 12% progress in the last 12 months (July 2024 to June 2025). Because of the slow progress, some of the completed works had passed the defects liability period. The project runs a risk of cost and time overruns arising from idle time, delayed payment to the contractor and owner's engineer, and delayed effective acquisition of alternative sites for waste treatment facilities and SME Park, yet these components are on the project's critical path.

Project Challenges

- i) Delayed approval of the site for the Wastewater Treatment Plant and Solid Waste Treatment Plant, and delayed commencement of construction by the contractor, even after the approval for the wastewater site was obtained on 18th April 2023.
- ii) Encroachment on parkland and green spaces by some tenants and issuance of illegal titles on KIBP land by the Mukono District Local Government (DLG). This is common in the South C8 section, where three titles were issued and were overlapping on the drainage way.
- iii) Failure by the Project Technical and Steering Committees to regularly convene meetings, which delayed the settling of some disagreements between the contractor, the supervisor, and the client.
- iv) Absence of an Independent Environmental and Social Consultant (IESC) – Ramboll UK Ltd – on 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.

Recommendations

- i) The UIA should urgently identify suitable sites for the solid waste facility and the SME Park or have these re-scoped to another phase.
- 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 of stakeholders.
- iii) The UIA should expedite the formulation and constitution of the Dispute Adjudication Board (DAB) to deal with some of the contract-related issues

Sino-Mbale Industrial Park:

The development of infrastructure in Sino-Mbale Industrial Park was contracted to M/s Hongquin China Railway 3 Construction Company to undertake road construction and a water treatment plant within the park. The works were supervised by the Ministry of Works and Transport (MoWT) for the roads and the Ministry of Water and Environment (MWE) for the water treatment facility. The contract details and financial performance were not readily available, pending clearance from the private developer.

By 31st December 2024, work had stalled and the contractor had grounded all equipment due to the non-payment (reimbursement) by the GoU of certificated works reported at a value of USh 115 billion. The physical progress by end of December was 48% for the roads and 13% for the water component. The Sino-Mbale Industrial Park was encountering two challenges: an incomplete drainage channel that exposed the park to flooding; and an unstable, insufficient and yet expensive electricity supply. The GoU, through the UIA, had not yet released funds to reimburse the contractor, delaying the resumption of work.



Stalled works at the waste water treatment site in Sino-Mbale industrial park, Mbale City

3.2.8 Addressing 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 FY2024/25 include: Capital Markets Authority services and investor education, and stakeholder facilitation. The overall intervention performance was good, at 83.8%.

Capital Markets Authority (CMA) services: The planned activities were, among others: new licences approved and old ones renewed; investor confidence in the capital markets improved; a reduction in incidents of Ponzi schemes fleecing Ugandans of their savings; an end-of-term strategic report written; and a new strategic plan developed.

By 30th June 2025, forty new licences were issued and 60 licences were renewed. Three high-level stakeholder meetings with the Attorney General's Office were held on the proposed Capital Markets Authority (CMA) Amendment Bill. There was continued prosecution of criminal matters related to Ponzi scheme incidents in court, with eight court sessions attended.



The end-of-term strategic performance report was generated, and a new strategic plan was developed, pending approval. A total of eight public notices on investor protection and new products were made.

In addition, the CMA completed feedback reviews and joint confirmations scheduled for multiple draft regulations, including licensing, conduct of business, corporate governance, and collective investment scheme regulations, ahead of board approval and gazetting. The draft regulatory sandbox guidelines were initiated, and a review of CMA's compliance with the International Organisation of Securities Commissions (IOSCO) principles, covering 10 out of 26 required principles, was initiated.

3.2.9 Rationalising and harmonising standards and policies at the 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 FY 2024/25 were: construction management; facilities and equipment management; market surveillance inspections; and development of standards. The overall intervention performance was good, at 81.1%.

Construction management: The UNBS planned to construct the ground floor of the engineering laboratory at Bweyogerere under Project 1783: Construction of food safety and engineering testing laboratories. By 31st December 2024, design review of the engineering laboratory at Bweyogerere was conducted and concluded. However, the project was behind schedule.

Facilities and equipment management: The plan under the UNBS was to procure one field vehicle, one unit of specialised equipment, assorted furniture and fittings, and assorted ICT hardware. By 31st December 2024, the procurement of 108 pieces of assorted furniture and fittings, and various units of ICT hardware was concluded. The procurement of one unit of specialised equipment and one field vehicle were not concluded.

Market surveillance inspections: The UNBS conducted 4,028 market outlet inspections during the period under review, exceeding the annual target of 2,250. The inspections were carried out in maize mills, bakeries, alcoholic and non-alcoholic beverage manufacturing companies, cosmetic shops, retail and wholesale shops, hardware shops, supermarkets, cosmetics factories, polythene bag factories, steel factories, construction material factories, and other outlets. The inspections resulted in the sealing off of 438 premises for non-compliance and seizure of 1,264,896.92 kg of substandard products across the country.

Conclusion

The sub-programme performance was good, at 76% (Annex 2). Six out of the nine monitored interventions under the sub-programme had good performance, while the three posted fair performance. The Bank of Uganda, through the Small Business Recovery Fund (SBRF), disbursed a total of US\$ 31.6 billion to 1,100 beneficiaries through the PFIs across the country.

All the conditions precedent to warranting the disbursement of funds to the Investment for Industrial Transformation and Employment (INVITE) Project were fulfilled. Arrangements to establish and capitalise the MSMEs receivables/factoring platform were ongoing, while implementation of activities in the refugee-hosting districts (RHD) was yet to commence.

Under the Parish Development Model (PDM) financial inclusion pillar, the cumulative disbursement as at 30th June 2025 stood at US\$ 2,699 billion. A total of 544 client projects were supported with credit financing amounting to US\$ 30.867 billion. US\$ 23.429 billion financed 362 client projects under conventional financing, while US\$ 7.438 billion financed



182 Sharia-compliant client projects under Islamic financing. The average cost-to-income ratio for FY 2024/25 was 0.91:1, against a target of 1:1.

The construction of facilities at UWEC, UHTTI, and UWRTI was substantially complete and under defects liability. The refurbishment and modernisation of the Uganda Museum was ongoing at 75% with GoU funding following the end of the CEDP Project. The National Business Development Services (BDS) Centre in Butabika was constructed to 96%, pending a few snags. On the other hand, infrastructure development in the Kampala Industrial and Business Park (KIBP)-Namanve had poor performance, at 59% physical progress, and was behind schedule with several unresolved issues.

The USADF Project was not monitored due to the Executive Order issued by the President of the United States of America, which stopped funding to any USAID-funded projects.

Recommendations

1. The UIA should urgently identify suitable sites for solid waste and the SME Park or have these re-scoped and phased to facilitate completion of the project.
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 Organisational Capacity Sub-programme

The sub-programme contributes to the PSD Programme objective of strengthening the organisational and institutional capacity of the private sector to drive growth. The sub-programme performance was good, at 73.86%, and the summary of performance of the monitored interventions is given in Table 3.4. Very good performance was registered under the intervention of strengthening system capacities to enable and harness the benefits of coordinated private sector activities, and rationalising and harmonising standards, institutions, and policies at the local and regional level. The interventions of creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED had fair performance.

Table 3.4: Performance of interventions under the Strengthening Private Sector Institutional and Organisational Capacity Sub-Programme by 30th June 2025

Intervention	Colour Code	Remark
Increase access to affordable credit, largely targeting MSMEs	80	Good performance
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	67	Fair performance
Rationalise and harmonise standards, institutions, and policies at the local and regional levels	94	Very good performance
Strengthen system capacities to enable and harness the benefits of coordinated private sector activities	90.56	Very good performance

Source: Field Findings

3.3.1 Increasing 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 capitalisation of institutions and financing schemes, and its score was good at 80%.

Capitalisation of institutions and financing schemes: The plan was to capitalise Uganda Development Bank (UDB), Post Bank, the Agricultural Credit Facility (ACF), and the Uganda Agricultural Insurance Scheme (UAIS). By 30th June 2025, a total of US\$ 34.931 billion was disbursed during FY 2024/25 as government capitalisation of the ACF. Additionally, US\$ 7.74 billion was disbursed as a government subsidy to the UAIS, US\$ 3.064 billion was disbursed as government capitalisation of Post Bank (U) Limited, and US\$ 80.6 billion as government capitalisation of UDB.

3.3.2 Creating 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 FY 2024/25 was policies, regulations, and standards. The intervention performance was fair, at 67%.

The plan was to conduct stakeholder sensitisation meetings for 50 men, 50 women, and 50 youth, and organise donor round-table meetings to attract funding for 50 men and 50 women in green growth businesses. By 30th June 2025, the MTIC had conducted sensitisation meeting



on the trade policy. This included both the public and the private sectors, and the composition was 25 men, 25 women, and 25 youth, representing 50% of the annual target. In addition, a stakeholder consultative meeting was carried out to get Uganda's Private Sector players to participate in the expos. Attendance included 50 participants, and at least 40% were women.

3.3.3 Rationalising and harmonising standards and policies at the local and regional levels

The intervention contributes to the objective of strengthening the enabling environment and enforcement of standards. The monitored outputs for FY 2024/25 were economic integration and market access, support to the African Growth and Opportunity Act (AGOA) Secretariat, and monitoring and evaluation. The intervention achieved a very good performance rating of 94%.

Economic integration and market access: The plan is to conduct five bilateral (Kenya, South Africa, DRC, Algeria, and Ghana) and multilateral meetings at the World Trade Organisation (WTO), African Continental Free Trade Area (AfCFTA), and Common Market for Eastern and Southern Africa (COMESA) to increase market access for locally produced Ugandan goods. By the 30th June 2025, meetings had not taken place, but the funds were spent on travel abroad, transfer to other government units, and on allowances (including casuals, temporary, and sitting allowances).

Support to African Growth and Opportunity Act (AGOA): The plan was to provide US\$ 50 million each quarter to AGOA to run its facilities. By 30th June 2025, the funds had been transferred to other government units and spent on allowances. It was observed however that the AGOA was suspended by the President of the United States of America in January 2025.

Monitoring and Evaluation: The plan was to establish compliance levels in the implementation of the Trade Licensing (Amendment) Act and Hire Purchase Act, inspect border trade infrastructures developed by the MTIC for compliance with use and maintenance, and streamline grain trade operations, among others.

By 30th June 2024/25, the MTIC had engaged 75 grain traders in Eastern and Northern Uganda on the grain certification requirements developed jointly by MTIC, UNBS, and MAAIF. The MTIC also collected data on the grain sector in Eastern, Northern, West Nile, and Southern Regions to inform a pre-feasibility study on the Aflatoxin and Testing Infrastructure Project proposal.

The MTIC also inspected the status and utilisation of border infrastructures at Mpondwe, Goli, and Oraba that it had developed. The monitoring exercise noted a decline in the number of small-scale traders arising from the lack of constant engagement with the DRC authorities on some trade levies and bribery, and the absence of the UNBS and MAAIF at the Goli border point.

The MTIC participated in the 3rd Joint Cross-Border Security Meeting between Uganda and Rwanda in Mbarara City, and also inspected the status and utilisation of border infrastructures at Busia, Katuna, and Bunagana. The MTIC engaged LG officials and businesses conducting hire purchase businesses in Kasese, Kabale, Kisoro, Ibanda, and Sheema districts on licensing and dealings with customers. The implementation of the amended trade licensing rates and grades was inspected in seven selected LGs in South Western Uganda (Sheema, Rukungiri, Ntungamo, Bushenyi, Mitooma, Ibanda, and Rubirizi Districts) for compliance.

Ten non-citizen traders' clearance booklets were printed for issuance, while 500 copies of the Trade Licensing (Grading of Business Area) (Amendment) Order 2024, and Trade Licensing (Amendment of Schedule 2) Instrument 2024, for the new cities, were gazetted, printed, and



disseminated. In addition, 2,000 copies of the BUBU Policy, implementation strategy, framework, and user manual were printed.

The MTIC also developed a draft Regulatory Impact Assessment (RIA) for the Trade Remedies Bill, which is intended to address unfair trade practices originating from foreign markets. The principles for the Private Sector Apex Body Bill were finalised in consultation with 30 relevant stakeholders, and the structure of the Inter-Institutional Trade Committee (IITC) was reviewed with relevant MDAs and private sector stakeholders for the revival of the IITC.

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

The intervention contributes to the NDP III objective of strengthening the organisational and institutional capacity of the private sector to drive growth. The monitored outputs for the FY 2024/25 are: product development undertaken; and Business Development Services (SDP) provided. The overall performance of the intervention was very good, at 90.6%.

Product development undertaken: The plan was to mobilise and sensitise 160 MSMEs to the importance of product certification, audits, food fortification, and good hygiene practices (GHP) for enterprises in the districts of Kotido, Napak DLG, Abim, Amudat, Zombo, Arua, Madi-Okollo, Serere, and Kole. By 30th June 2025, the MoTIC had mobilised and sensitised a total of 298 MSMEs (comprising 120 women, 110 men, 68 youth, and PWDs) to the importance of product certification, audits, food fortification, and good hygiene practices for enterprises in the districts of Kyotera, Masaka, Rakai, Terego, Yumbe, Moyo, Kiboga, Nakaseke, Kyankwanzi, Nwoya, Nakaseke, Oyam, Busia, Malaba, Terego, Yumbe, Moyo, Kiboga, Nakaseke, and Kyankwanzi.

Business Development Services (BDS): The plan was to train 220 MSMEs comprised of men, youth and women entrepreneurs on making business plans, financial literacy, resource mobilisation, and record-keeping in 10 districts of Kiruhura, Rwampara, Kabale, Rubanda, Mitooma, Pallisa, Serere, Oyam, Kalaki, and Otuke. By 30th June 2025, a total of 196 MSMEs entrepreneurs had been trained on making business plans, financial literacy, resource mobilisation, and record-keeping in three districts of Budaka, Butebo, and Mitooma Town Council. It should be noted that the districts that were initially planned for did not benefit from the scheduled trainings but, instead, MSMEs from other districts were trained.

Conclusion

The overall sub-programme performance was good, at 73.86% (Annex 3). The interventions of strengthening system capacities to enable and harness the benefits of coordinated private sector activities, and rationalising and harmonising standards, institutions, and policies at the local and regional levels had a very good performance. The intervention of creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED had fair performance.

The Agricultural Credit Facility (ACF) and the Uganda Agricultural Insurance Scheme (UAIS) were capitalised. In addition, Uganda Development Bank and Post Bank (U) Limited were capitalised. The MTIC conducted a sensitisation meeting on the trade policy and engaged grain traders on the grain certification requirements. A draft RIA for the Trade Remedies Bill was developed, and the principles for the Private Sector Apex Body Bill were finalised. It was observed that some outputs, such as business linkages established between MSMEs and large-



scale enterprises, among many, did not have targets, making measurement of performance difficult, while some interventions and outputs were not aligned to the PIAP.

Recommendation

1. The implementing agencies in the programme should set targets for all the outputs for ease of measuring performance.

3.4 PSD NDP III outcome indicator performance

The programme outcome indicator performance over the five-year period was poor with only 30% of the indicators achieved. Out of the 59 NDP III outcome indicators for the PSD programme, a total of eighteen (18) indicators were achieved, while twelve were not achieved. In addition, eighteen indicators were not reported on during the FY2024/25, and data for eleven indicators were not obtained. Table 3.5 highlights the status of achievement of the NDP III (2020/21-2024/25) outcome indicators for the PSD programme.

Table 3.5: NDP III (FY2020/21-2024/25) outcome indicator performance for the PSD programme as at 30th June 2025

Outcome Indicator	Baseline FY2017/18	Target FY2020/21	Target FY2024/25	Achieved FY2024/25	Status
Non-commercial lending to the private sector in key growth sectors as a % of GDP	1.5	1	3	4	Achieved
Share of domestic credit to key growth sectors in total private sector credit	6.2	29.9	33.8	-	Not reported on
Private sector credit as a % of GDP	12.95	15.4	27.4	-	Not reported on
% MSMEs with an outstanding credit at a formal financial service provider		9.7	23	25	Achieved
Total value (UGX billions) of outstanding long-term loans (maturity above 5 years) at DFI	60	481	998	1,000	Achieved
Total value of private equity investments by government-owned financial institutions (UDB)- UGX billions		0.183	0.38	1	Achieved
Domestic market capitalization to GDP- (UGX, Billion)	4.1	3.4	5.1	9.1	Achieved
Domestic market capitalization due to new listings-(UGX, Billion)	4.78	4.5	5.8	13.9	Achieved
Number of private equity deals availing funding to local companies per year (data at December		9			No data
CIS assets under management (in UGX trillion)	0.133	0.48	1.2	4.6	Achieved
Retirement Assets to GDP, %		12	19.2	12.2	Not achieved



Deposits in supervised financial institutions to GDP, %		21.7	29.5	30	Achieved
Life insurance assets to GDP, %		0.01	0.9	1.8	Achieved
Number of warehouse receipt discounted at financial institutions		2,000	6,600	-	Not reported on
Number of warehouse receipt traded at commodity exchanges		5,000	12,000	-	Not reported on
Proportion of Key business processes automated and integrated on Government platforms		50			No data
% of businesses that accessed BDS in the past 3 years		7	20	15	Not achieved
Global competitiveness index		114/141	108/141	-	Not reported on
% of businesses having a business expansion plan in place		10	25	-	Not reported on
% of existing businesses expanded	13	18			No data
% change in annual turnover	12	15	30	-	Not reported on
Average life of businesses		2.4	4.2	-	Not reported on
% of the Informal Sector		52.9	45	54.3	Achieved
Number of firms that are registered members of chambers of commerce		500	800	2,000	Achieved
Number of members in trade unions		250,000	750,000	-	Not reported on
Value of Exports (USD Millions)	5,390	5,952	4,973	296,012	Achieved
Proportion of total sales that are exported (manufacturing, trading, small trading and services, finance) %					No data
Proportion of SMEs using digital solutions for key business processes	0	25	40	-	Not reported on
Value of Ugandan products and services traded on e-platforms					No data
% of businesses undertaking research and development activities in the past year (manufacturing, trading, small trading and services, finance)	0	0.7	10	-	Not reported on
Number of firms using market information systems	0		6,000	5,597	Not achieved
Number of firms accessing these services (incubation centres by the private sector)					No data



Procedures to legally start and formally operate a company (number)	8	6	3	2	Not achieved
Time required to start a business (calendar days)		4	0.1	4.5	Not achieved
Costs of starting a business (% of income per capita)		6			No data
Proportion of the total procurement value awarded to local contractors [%]	30	60	80	59	Not achieved
Proportion of jobs taken on by Ugandans in foreign-owned enterprises		5	0	-	Not reported on
The proportion of Ugandan goods and services utilized by foreign firms in public projects	0	20	40	18.3	Not achieved
Number of private investments by UDC	12	8	12	18	Achieved
Total private sector investments facilitated by PPPs arrangements		10	10	-	Not reported on
Proportion of Domestic private sector investment (in Value: projections have considered impacts of COVID-19)	0	48.7	50.8	-	Not reported on
% of MSMEs utilizing the services of Research and innovation facilities	0		20	26	Achieved
Annual change in products certified by UNBS (%)					No data
Number of certified products accessing foreign markets	259				No data
No of businesses using the industrial parks	300		254	628	Achieved
Number of firms accessing the export free zones	0		40	43	Achieved
Proportion of total business operating in the formal sector			6,000	5,703	Not achieved
% change in tax payer register	0		15	-	Not reported on
% contribution of informal sector to GDP	0		60	-	Not reported on
Number of data requests to the MSME database	0		400	251	Not achieved
Number of reports and policy briefs developed	0		75	28	Not achieved
% of private sector complaints resolved	0		55	-	Not reported on
Percentage of green finance in private sector development					No data



% of innovative firms in manufacturing	0	79	88	-	Not reported on
Proportion of public contracts and sub-contracts that are awarded to local firms (Value)	30	50			No data
Annual change in products certified by UNBS (%)	24		10	15	Achieved
Number of counterfeits tracked and destroyed (No. of seizures)	252		1,200	269	Not achieved
Proportion of total business operating in the informal sector	0		28	54.3	Not achieved
Cost required to complete each procedure (% of income per capita)	6		4	5	Achieved

Source: Private Sector Development PIAPs and reports (FY2020/21-FY2024/25)



CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The overall performance of the PSD Programme was rated good, at 74.9%. Both the Enabling Environment Sub-Programme and the Strengthening Private Sector Institutional and Organisational Capacity Sub-Programme registered good performance. The good programme performance was attributed to the full disbursement under the PDM financial inclusion pillar, which constituted 52.2% of the programme budget. Good funds release and absorption across the votes was registered. The financial inclusion pillar under the PDM registered notable progress, with disbursements made to eligible SACCOs, and the *Emyooga* SACCOs also registered a similar trend.

Through the capitalisation of the Uganda Agricultural Insurance Scheme and the Agricultural Credit Guarantee Facility, strides were made to support the key growth sectors, especially agriculture. This was complemented by the capitalisation of Post Bank (U) Limited and Uganda Development Bank.

The private sector small businesses were supported to recover from the after-effects of COVID-19. The SBRF, as one of the initiatives to increase non-commercial lending to support the private sector, exhibited an increase in uptake compared to the previous financial years, though still slow due to the collateral required.

The infrastructure-related outputs aimed at facilitating private sector growth, such as the development and servicing of industrial parks, progressed at a rather slow pace. Most of them were behind schedule, posing a risk of time and cost overruns. Apart from the KIBP-Namanve that was under construction, the other existing nine industrial parks were not serviced during the period under review.

The Private Sector Development Programme was further hampered by the suspension of funding to the cooperatives under the USDAF, and the delayed finalisation of new structures for the agencies affected by the government rationalisation programme, which resulted in delayed implementation under the new authority – UFZEPA.

The performance of the Private Sector Development (PSD) Programme under NDP III over the five-year period was generally poor, with only 30% (18 out of 59) of the outcome indicators achieved. Despite some progress in areas such as non-commercial lending, increased access to credit, capital market development, and the use of industrial parks and export free zones, the programme struggled with implementation and monitoring, as evidenced by the large number of indicators either not achieved (12), not reported on (18), or lacking data entirely (11). Key targets related to business formalization, export performance, business competitiveness, and the use of digital and research-driven solutions remained largely unmet or untracked. This underscores significant challenges in data collection, accountability, and policy execution, which must be urgently addressed to enhance the effectiveness and impact of future PSD initiatives.

4.2 Recommendations

1. The Project Coordination Committee for the USADF Project and MoFPED should guide on the next steps, especially to the cooperatives, because it is a matching grant between the Government of Uganda and the US Government.



2. The UIA should plan to repackage the works that are yet to commence into another phase of funding to avoid further delays. It should also expedite the completion of the ongoing civil works to avoid further delays, cost overruns, and missed opportunities.
3. The Bank of Uganda and participating financial institutions (PFIs) should continue to popularise the SBRF to potential beneficiaries, including special interest groups such as youth and women, and provide alternative collateral to land to ensure increased uptake of the funds.



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ANNEXES

Annex 1: Interventions Monitored –AnnualReportFY2024/25.

Sub-programme	Intervention	Contributing MDA
Enabling Environment	Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	UIA, MoFPED
	Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas	MoFPED, MTIC
	Develop and implement a holistic local content policy, legal and institutional framework	PPDA, MoFPED, UIA, UNBS
	Fully service the industrial parks and increase access to them by the local private players	UIA, MoFPED
	Strengthen systems capacity to enable and harness benefits of coordinated private sector activities	MoFPED, MTIC
	Increase access to affordable credit largely targeting MSMEs	MoFPED, UDB, BoU
	Increase access to longtime finance	MoFPED
	Address non-financial factors (power, transport, ICT, business processes etc.) leading to high costs of doing business	MoFPED, UIA
	Rationalise and harmonise standards institutions, and policies at local and regional level	UNBS, MTIC
Strengthening Private Sector Institutional and Organisational Capacity	Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	UIA, MoFPED
	Strengthen systems capacity to enable and harness benefits of coordinated private sector activities	MoFPED, MTIC
	Rationalise and harmonise standards institutions, and policies at the local and regional level	UNBS, MTIC
	Increase access to affordable credit largely targeting MSMEs	MoFPED, UDB, BoU

Source: *Author's Compilation*



Annex 2: Performance of the Enabling Environment Sub-Programme as at 30th June 2025

Outputs Performance							Remark	
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% 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	931,638,670	100	100	6	5	83.3	Competitiveness and investment updates report was prepared. Good performance.
	Private sector development services	4,620,000,000	100.	100	17	13	76.5	The private sector was supported, and the planned meetings were undertaken.
	Public enterprises restructuring services	37,311,000,000	100	100	6	4.5	75	MoFPED provided technical support in the sourcing of investment partners for public enterprises
	Business Development Services (Enterprise Uganda)	34,360,000,000	100	100	6	6	100	Trainings provided by Enterprise Uganda and the National BDS Centre in Butabika constructed to 96% completion.
Undertake strategic and sustainable government investment and promote private sector partnerships in key growth areas	Industrialisation acceleration and Job creation	300,000,000	100	99	9	6.5	72.2	Good performance, with investors supported to access land and facilitated to do business.
	Business development services (USADF)	4,600,000,000	100	100	100	50	50	Funded until December 2024 when the funding under the USADF was cancelled by the President of the USA.



Outputs Performance							Remark	
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% Of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity		Physical Performance Score (%)
Strengthen system capacities to enable and harness the benefits of coordinated private sector activities	Business Development Services (CEDP)	876,000,000	100.0	98	14	11.4	81.7	All works under the CEDP Project were completed, save for the final furnishing of the UHTTI and the redevelopment of the Uganda Museum, which progressed to 75%. Good performance and IT infrastructure was delivered.
	Management of ICT systems and infrastructure (CEDP)	1,360,000,000	100	100	11	9.4	85.5	
	Investment climate advisory (INVITE)	220,703,000,000	2.2	56	12	0.1	37.3	
	Microfinance Support Centre services	150,070,000,197	100	100	17	13.5	79.4	
Increase access to affordable credit largely targeting MSMEs	PDM financial inclusion pillar	1,068,401,800,000	100	100	4	3	75	All conditions precedent were fulfilled, and the implementation was at the initial stages with the recruitment of the requisite staff. <i>Emyooga</i> SACCOs were provided with funds as planned PDM SACCOs were capitalised as planned. Community Savings and Credit Groups (CSCGs) were strengthened through training. Coordination undertaken. Good performance
	Support to financial inclusion	5,600,000,000	100	100	4	3.8	95.8	
	Coordination and oversight of microfinance services provided	6,366,217,428	100.	100	5	4.5	90	



Outputs Performance								Remark
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% Of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
	Private sector development services (GROW)	136,892,000,000	99.8	63	4	2	50.1	Fair performance
	Oversight and coordination of the non-banking sector provided	5,136,233,803	99.9	100	6	5	83.4	Oversight and coordination were provided, including disbursement under the SBRF.
Increase access to long-term finance	Financial sector policy and oversight	9,712,304,000	100	100	8	5	62.5	The draft for the National Development Finance Institutions Policy was finalised. Oversight was provided and
Develop and implement a holistic local content policy, legal and institutional framework	Investor education and Stakeholder facilitation	200,000,000	100	100	16	8	50	Outreach activities were carried out by the UIA.
Fully serviced industrial parks and increase access to them by the local private players	Industrial park development and management	1,064,000,000	100	486	4	3	75	Construction under KIBP, Namanve was slow and behind schedule, while the contractors for Mbale and Kapeeka Industrial Parks had suspended work owing to delayed payment of certificates.
Address non-financial factors (business processes) leading to high costs of doing business	Capital Markets Authority services	9,244,000,000	100	100	16	11.2	70	New licences were issued and old ones renewed. Supervision was also undertaken.



Outputs Performance								Remark
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% Of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
	Investment licensing and aftercare service	187,149,145	100	100	4	3.9	97.5	Very good performance
Rationalise and harmonise standards, and policies at local and regional levels	Construction management (UNBS and UFZA)	6,027,134,936	61.2	100	100	50	81.6	The Entebbe International Airport Free Zone was substantially complete, while the designs of the engineering laboratory at UNBS were reviewed.
	Facilities and equipment management (UNBS)	3,665,787,200	100	96	4	2	50	The procurement of one unit of specialised equipment and a field vehicle was not concluded.
	Market surveillance inspections	500,000,000	100	100	100	90	90	The UNBS conducted market outlet inspections during the period under review.
	Development of standards	600,000,000	100	100	100	90	90	The UNBS developed standards as planned.
	Administrative and support services	20,388,982,792	100	92	100	85	85	Good performance
	Calibration of trade equipment	500,000,000	100	100	100	90	90	Good performance as equipment was calibrated.
	Total	1,729,617,248,171	87.4	97			76	Good performance
Average Outputs Performance							76	Good performance

Source: PBS Reports, IFMS and Field Findings



Annex 3: Performance of the Institutional and Organisational Capacity Sub-Programme as at 30th June 2025

Outputs Performance								Remark
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Increase access to affordable credit largely targeting MSMEs	Capitalisation of institutions and financing schemes	182,211,139,304	100	100	5	4	80	Post Bank, Agricultural Credit Facility (ACF), and the Uganda Agricultural Insurance Scheme were capitalized.
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth	Policies, regulations and standards	1,141,317,840	99.5	96	3	2	67	Fair performance, as some of the planned policies were not concluded.
Rationalise and harmonise standards and policies at local and regional level	Economic integration and market access	670,000,000	100	100	1	0.1	10	The planned meetings were reported not to have taken place.
	Monitoring and evaluation	325,686,156	100	100	6	5.3	88.3	The grain traders in Eastern and Northern Uganda on the grain certification requirements.
Strengthen system capacities to enable and harness benefits of coordinated private sector activities	Product development undertaken	171,372,435	100	100	3	3	100	MSMEs were sensitised to the importance of product certification, audits, food fortification, and good hygiene practices for enterprises.
	Business Development Services (SDP)	155,656,337	100	100	6	4.9	81.7	MSME entrepreneurs were trained on making business plans,



Outputs Performance								Remark
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
								financial literacy, resource mobilisation, and record-keeping.
	Testing of product samples	900,000,000	100	100	100	90	90	Good performance, as products were tested by the UNBS.
	Total	185,575,172,072	100	100			73.8	Good performance
Average Outputs Performance							73.8	Good performance

Source: PBS Reports, IFMS and Field Findings



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