PRIVATE SECTOR DEVELOPMENT PROGRAMME

Semi-Annual Budget Monitoring Report

Financial Year 2024/25

April 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	Coronavirus Disease 2019
DLG	District Local Government
EPRC	Economic Policy Research Centre
IBP	Industrial and Business Park
IFMS	Integrated Financial Management System
KIBP	Kampala Industrial and Business Park
MSMEs	Micro, Small, and Medium Enterprises
MSC	Microfinance Support Centre Limited
MDAs	Ministries, Departments and Agencies
MoFPED	Ministry of Finance, Planning and Economic Development
MoTIC	Ministry of Trade, Industry and Cooperatives
MoPS	Ministry of Public Service
NDP	National Development Plan
NEMA	National Environment Management Authority
OSBP	One-Stop Border Post
PDM	Parish Development Model
PSD	Private Sector Development
PSFU	Private Sector Foundation Uganda
PPDA	Public Procurement and Disposal of Public Assets Authority
SACCO	Savings and Credit Cooperative
SBRF	Small Business Recovery Fund
SDF	Skills Development Facility
SMEs	Small and Medium Enterprises
UDB	Uganda Development Bank
UEPB	Uganda Export Promotions Board
UFZA	Uganda Free Zones Authority
UHTTI	Uganda Hotel and Tourism Training Institute
UIRI	Uganda Industrial Research Institute
UIA	Uganda Investment Authority
UKEF	United Kingdom Export Finance
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
USADF	United States African Development Foundation
USD	United States Dollar
UWRTI	Uganda Wildlife Research and Training Institute

FOREWORD

At the start of the Financial Year 2024/25, the Government of Uganda outlined strategies to restore the economy back to the medium-term growth path with the ultimate vision of a self-sustaining, integrated economy. The strategy 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.

Semi-Annual programme assessments were made, and it was established that performance was fairly good. This implies that programmes are on track, but with a lot of improvements required. These monitoring findings form a very important building block upon which programmes can commence the reflective exercises.

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

Ramathan Ggoobi
Permanent Secretary/ Secretary to the Treasury

EXECUTIVE SUMMARY

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

The 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 Public Assets Authority (PPDA), the Uganda National Bureau of Standards (UNBS), the Uganda Investment Authority (UIA), the Uganda Free Zones Authority (UFZA), and the Uganda Export Promotions Board (UEPB).

This summary highlights the performance of the two sub-programmes – Enabling Environment and Institutional and Organisational Capacity – for the period from 1st July 2024 to 31st December 2024.

Overall Programme Performance

The overall performance of the PSD Programme was fair, at 68.1%. The Enabling Environment Sub-programme registered good performance, at 71.2%, while the Strengthening Private Sector Institutional and Organisational Capacity Sub-programme had fair performance, at 64.9%. This overall fair programme performance is attributed to the poor disbursement under the Parish Development Model (PDM) Financial Inclusion Pillar and the halting of the implementation of planned outputs under UFZA and UEPB due to the rationalisation of Government institutions.

The approved budget for the programme is USh 2,046.64 bn, of which USh 478.08 billion (23.4%) was released, and USh 390.37 billion (81.7% of the release) was spent by 31st December 2024. The release was poor, while expenditure performance was good. MoFPED accounts for the largest share of the budget, at 94.1%, while NPA accounts for the smallest, at 0.012%. Despite having a larger share of the budget, MoFPED had a poor release rate of 21.2%. The performance of the sub-programme is presented below:

Enabling Environment Sub-programme

Under the PDM Financial Inclusion Pillar, two regional assessments and technical assistance were provided to the respective Local Governments (LGs), resulting in improved disbursement to last-mile beneficiaries. However, as of 31st December 2024, the parish revolving funds had not yet been transferred to the PDM Savings and Credit Cooperative Organisations (SACCOs). A total of 3,189 *Emyooga* SACCOs received support in obtaining registration certificates. The draft matrix to address revisions for harmonising the Tier IV Act was under development.

Under the Uganda Investment Authority (UIA), 37 companies were monitored, against an annual target of 200. These companies had a combined actual capital investment amounting to USD 46.18 billion, and 4,938 jobs were created. In addition, a total of 9,638 transactions were processed through the One-Stop Centre (OSC), translating into 230 licensed projects, with a planned investment of USh 2,094 billion and 28,068 planned jobs. Three projects were linked to transnational companies, 28 inward missions were undertaken, 11 regional/international forums attended, and three private equity firms from the UAE, USA, and Kenya were attracted and licensed with a collective investment of USD 78.8 million.

The redesign and upgrade of the eBiz portal progressed to 45%, while the development of requirements for the One-Stop Centre business process flow and National Investment Management

System (NIMS) reached 50%. On the other hand, 165 domestic investors were profiled onto the National Small and Medium Enterprises (NSME) portal, against an annual target of 480. Additionally, two new industrial park lands were identified in Kisoro and Nebbi; however, the titling of the acquired industrial park land was slow.

Enterprise Uganda provided business skills training to 8,246 Medium, Small, and Micro Enterprises (MSMEs). Utilising an online platform, they assisted 5,944 individuals in accessing Business Development Services (BDS). The advancement of the BDS framework continued, with two standards developed and released for public review. The construction of the National Business Development Services Centre in Butabika, intended to be the base for Enterprise Uganda, reached 83% completion, compared to a planned 87% and a time progress rate of 83.3%. Financially, the project achieved a progress of 73.58%, with all 15 certificates fully paid.

The National Development Finance Institutions Policy was being finalised to guide the operations of development finance institutions in the country. Additionally, the draft review comments for the Credit Reference Bureau Regulations were under consideration by the regulator, the Bank of Uganda.

The Bank of Uganda, through the Small Business Recovery Fund (SBRF), disbursed a total of USh 21.346 billion to 858 beneficiaries via the Financial Inclusion Pillar(PFIs) across the country. Opportunity Bank had the highest number of beneficiaries (579), while Finance Trust Bank had the fewest (two). The Central Region had the most SBRF beneficiaries, totalling 543, while the Northern and Eastern Regions had 51 and 53 beneficiaries, respectively. There was an improvement in the uptake of the SBRF compared to previous financial years. However, the requirement for land titles as collateral security continued to hinder the uptake of the funds.

The infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve was behind schedule, with some key outputs yet to commence. Progress was registered on the road construction and drainage components. The land for the Solid Waste Treatment Facility and the SME park had not been identified/purchased by UIA. The idle time, delayed payment to the contractor, and delayed acquisition of alternative sites for waste treatment facilities and SME Park posed a risk of cost and time overruns.

The redevelopment, retooling, and modernisation of the Uganda Wildlife Education Centre (UWEC) in Entebbe progressed to 98% completion, against a target of 100%, with a few minor snags remaining. The reconstruction, expansion, and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese was completed and handed over, pending furnishing.

The progress of civil works for the Uganda Hotel Tourism and Training Institute (UHTTI), which includes a three-star application hotel, a training school, and other related facilities in Jinja, averaged 98% completion. The furnishing of the rooms was ongoing and the final electrical installation was nearing completion. The refurbishment, remodelling, and modernisation of the Uganda Museum, and the construction of the storage facilities progressed to 24%, against a target of 40%, as of December 2024.

The Investment for Industrial Transformation and Employment (INVITE) Project remained behind schedule, with only one year left before its closure. Key conditions precedent to the disbursement of funds had not been met, with progress limited to the establishment of the five-member INVITE Committee. At the time, the committee was still in the process of developing the terms of reference (TOR) for recruiting the INVITE Trust.

UNBS issued 1,551 products and 11 management system certification permits. A total of 1,068 market outlets were inspected during the review period, including supermarkets, shops, distribution outlets, hardware shops, manufacturing premises, and distribution vans and trucks. Conversely, the procurement process for a contractor to construct the ground floor of the Engineering Laboratory at Bweyogerere was not concluded.

Owing to the executive order by the President of the United States of America halting funding to all the USAID-funded projects for 90 days from 1st January 2025, the United States African Development Fund (USADF) and UDET (implementing partners in Uganda) were also advised to halt any work related to the implementation of the USADF projects. Subsequently, the beneficiary cooperative was advised to halt activities implemented using the USADF funds. This, however, posed a risk to investments that were at critical stages of implementation and required continuity.

The 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 the Government agencies. The two agencies were to be merged and a new management structure provided for continuity. However, this was yet to be finalised to enable the implementation of the planned outputs for the period under review.

Private Sector Institutional and Organisational Capacity Sub-programme

In terms of capitalisation of institutions and financing schemes, a total of USh 25 billion was disbursed as Government contribution to the Agriculture Credit Guarantee Facility. In addition, USh 5.7 billion was disbursed as a Government subsidy to the Uganda Agricultural Insurance Scheme. The consultative meeting on protocols for digital trade was conducted. MoTIC engaged Local Government (LG) officials and businesses conducting hire purchase businesses in Kasese, Kabale, Kisoro, Ibanda, and Sheema Districts for licensing, checking for exploitation of customers, and compliance.

MoTIC coordinated the development of the national PDM marketing strategy with the support start-up policy, implementation strategy, and communication strategy in collaboration with MasterCard Foundation through the Private Sector Foundation Uganda (PSFU).

A total of 56 MSMEs were mobilised and sensitised to formalise their businesses with the Food and Agriculture Organisation (FAO). This also resulted in the development of the draft, while 53 MSMEs (27 females and 26 males from the leather, agro-processing, and textile sectors) were mobilised and trained in product development and design, cluster formation, resource efficiency, value addition, and packaging. The feasibility studies and acquisition of land titles for selected industrial parks were not undertaken. Additionally, the capitalisation of Uganda Development Bank and Post Bank was not pursued.

Conclusion

To increase non-commercial lending to the private sector, small businesses were supported to recover from the aftereffects of COVID-19 through SBRF. However, despite the increase in uptake compared to previous financial years, there is still limited awareness due to the collateral required. Steps were made to support key growth sectors, especially agriculture, through the capitalisation of the Uganda Agricultural Insurance Scheme and the Agriculture Credit Guarantee Facility.

The infrastructure-related outputs aimed at facilitating private sector growth, such as developing and servicing industrial parks, progressed at a rather slow pace. Most of them were behind schedule, posing a risk of time and cost overruns. The Private Sector Development Programme was further hampered by the halting of funding to the cooperatives under the USDAF, and the delayed finalisation of new structures for the agencies affected by the Government rationalisation programme, among others.

Recommendations

1. The Project Coordination Committee for the USADF Project should provide guidance on the next steps to preserve the investments already made by the cooperatives, as it is a matching grant between GoU and the US Government.

2. UIA should expedite the completion of civil works for the KIBP-Namanve to prevent further delays, cost overruns, and missed opportunities.

3. The Ministry of Public Service should expedite the finalisation of the new structure for rationalized agencies under the PSD program.

4. BOU and Financial Inclusion Pillar should continue to popularise SBRF to potential beneficiaries, including special interest groups such as youths and women, 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, BMAU began undertaking Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs)/Ministerial Policy Statements (MPSs). Semi-annual and annual field monitoring of Government programmes and projects is conducted to verify the 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 reviews the level of cohesion between sub-programmes and highlighted the implementation challenges.

The monitoring covers 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 31st December 2024.

1.2 Programme Goal and Objectives

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

i. Sustainably lower the costs of doing business.

ii. Promote local content in public programmes.

iii. Strengthen the enabling environment and enforcement of standards.

iv. Strengthen the role of Government in unlocking investment in strategic economic sectors.

v. Strengthen the organisational and institutional capacity of the private sector to drive growth.

1.3 Sub-programmes

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

i. Enabling Environment

ii. Strengthening Private Sector Institutional and 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 FY 2018/19 to 45% in FY 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 in FY 2024/25.

CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report is based on interventions under the PSD Programme implemented during FY 2024/25. The monitoring involved analysing and tracking of inputs, activities, processes and outputs as identified in the Programme Implementation Action Plans (PIAPs), Ministerial Policy Statements (MPSs), and Annual and Quarterly Work Plans, progress and performance reports of Ministries, Departments and Agencies (MDA), and Local Governments (LGs). A total of 12 (80%) out of 15 interventions under the PSD Programme Implementation Action Plan were monitored (ANNEXES
Annex 1: Interventions **Monitored**).

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

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

ii. Level of investment: Interventions that had 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, multi-year 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 were assessed through monitoring a range of indicators. The progress reported was linked to the reported expenditure and physical performance.

A combination of random and purposive sampling was used in selecting sub-interventions and outputs from the PIAPs, MPSs and progress reports of the respective MDAs and 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 the MPSs 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-memoires, and evaluation reports for selected programmes/projects.

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

Primary data collection methods, on the other hand, included:

1. Consultations and key informant interviews with institutional heads and project/intervention managers.

2. Field visits to various project sites, service beneficiaries, observation, and photography for primary data collection.

3. Call-backs in some cases were made to triangulate information.

Data Analysis

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

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

A colour-coded system was established to inform policymakers and implementers about the success of interventions based on their assigned ratings. The colour definitions are as follows: very good performance (green), good (yellow), fair (light gold), and poor (red). Financial performance was evaluated by comparing total expenditure to the funds released.

Table 2.1: Assessment guide 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 donor financing, as this aspect is not accessible on the IFMS.

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

2.5 Structure of the Report

The report is structured into four chapters. These are: Chapter 1: Introduction; Chapter 2: Methodology; Chapter 3: Programme Performance; and Chapter 4: Conclusion and Recommendations.

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

The overall performance of the PSD Programme was fair, at 68.1%. The Enabling Environment Sub-programme registered good performance, at 71.2%, while the Strengthening Private Sector Institutional and Organisational Capacity Sub-programme had a fair performance at 64.93% (Table 3.1). The fair programme performance was attributed to the poor disbursement under the PDM Financial Inclusion Pillar, which had 52.2% of the programme budget, and halting implementation of planned outputs under UFZA and UEPB due to the rationalisation of government institutions.

Table 3.1: PSD Programme physical performance by 31st December 2024

Sub-programme	Performance (%)	Remark
Enabling Environment	71.2	Good performance
Strengthening Private Sector Institutional and Organisational Capacity	64.93	Fair performance
Average	**68.1**	**Fair performance**

Source: Field Findings

The approved budget for the programme for FY 2024/25 is USh 2,046.64 billion, of which USh 478.08 billion (23.4%) was released, and USh 390.37 billion (81.7% of the release) was spent by 31st December 2024 (Table 3.2). The release was poor, while expenditure performance was good. MoFPED had the largest share of the budget, at 94.1%, while NPA had the smallest, at 0.012%. Despite having a larger share, MoFPED had a poor release rate of 21.2%, primarily due to the complete lack of PDM fund releases during the first two quarters of the FY. The Uganda Export Promotions Board (UEPB) and Uganda Free Zones Authority (UFZA) registered the least releases and absorptions due to the rationalisation of Government institutions, which took place during the period under review. The detailed financial performance per MDA is presented in Table 3.2.

Table 3.2: PSD Programme Financial Performance by 31st December 2024 (USh Billion)

Vote	Approved Budget	Releases	Expenditure	% Budget Released	% Release Spent
Ministry of Finance, Planning and Economic Development	1,927.82	407.93	343.86	21.2	84.3
Ministry of Trade, Industry and Cooperatives	2.44	0.96	0.84	39.4	87.0
Ministry of East African Community	1.73	1.01	0.95	58.2	94.5
National Planning Authority (NPA)	0.25	0.13	0.13	50.0	100.0
Uganda Registration Services Bureau	9.48	7.54	4.71	79.6	62.4
Uganda Export Promotion Board	6.67	1.16	0.85	17.3	73.4
Uganda Investment Authority (UIA)	12.45	6.05	5.03	48.6	83.2
Public Procurement & Disposal of Public Assets Authority (PPDA)	1.33	1.33	1.32	100.0	99.8
Uganda National Bureau of Standards	50.90	39.05	21.62	76.7	55.4
Uganda Free Zones Authority	7.17	1.16	0.89	16.1	77.2

Vote	Approved Budget	Releases	Expenditure	% Budget Released	% Release Spent
Uganda Microfinance Regulatory Authority	8.52	3.90	3.75	45.7	96.2
Uganda Retirement Benefits Regulatory Authority	13.42	6.01	4.66	44.8	77.5
Embassies and High Commissions[1]	1.51	0.75	0.64	50.0	84.7
Local Governments (07 in No.)	2.97	1.12	1.12	37.5	100.0
Total for the Programme	**2,046.64**	**478.08**	**390.37**	**23.4**	**81.7**

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 performance of the sub-programme was good, at 71.2%. Good performance was registered under the intervention of addressing non-financial factors leading to high costs of doing business, and increasing access to affordable credit, largely targeting MSMEs. The poor performing interventions were: Fully service the industrial parks and increase access to them by the local private players; and rationalise and harmonise standards, institutions, and policies at local and regional levels. The performance of the monitored interventions ranged between fair and very good, as summarised in Table 3.3.

Table 3.3: Performance of interventions under the Enabling Environment Sub-programme by 31st December 2024

Intervention	Colour code	Remark
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote Local Economic Development (LED)	76.3	Good performance
Undertake strategic and sustainable Government investment and promote private sector partnerships in key growth areas	60	Fair performance
Strengthen system capacities to enable and harness the benefits of coordinated private sector activities	63.1	Fair performance
Increase access to affordable credit, largely targeting MSMEs	95.3	Very good performance
Increase access to long-term finance	96	Very good performance
Develop and implement a holistic local content policy, legal and institutional framework	94	Very good performance
Fully service the industrial parks and increase access to them by the local private players	43	Poor performance

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

Intervention	Colour code	Remark
Address non-financial factors (power, transport, ICT, business processes etc.) leading to high costs of doing business	98	Very good performance
Rationalise and harmonise standards, institutions, and policies at local and regional level	47.1	Poor performance

Source: Field Findings

3.2.1 Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote Local Economic Development (LED)

The intervention contributes to the objective of strengthening the enabling environment and enforcement of standards. Five out of the six outputs for FY 2024/25 under the intervention were monitored and these are: investment climate advisory; private sector development services; public enterprises restructuring services; construction of the Business Development Services (BDS) Centre in Butabika; and industrialisation acceleration. The overall intervention performance was good, at 76.3%. The detailed output performance is presented below:

Investment climate advisory: The plan is 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 31st December 2024, two quarterly fact reports on trade and investment were produced. The Project Operations Manual (POM) for the Industrial Transformation and Employment (INVITE) Project was finalised, the Investment Committee was constituted, and the recruitment of staff for the INVITE Trust was initiated. Six out of 12 MIND reports in FY 2024/25 were prepared and uploaded on the development policy portal (https://development.finance.go.ug/).

Private Sector Development Services: The plan is to conduct the Private Sector CEO Bi-Annual Private Sector Competitive Facility (PCF) Retreat, four benchmarking visits to model agricultural and industrial companies, update the CEO database, and publish the Annual Statistical Yearbook 2023. The 5th Biannual Presidential CEO Forum Retreat was completed by 31st December 2024, and a matrix outlining the 13 resolutions from the retreat was created. Two quarterly stakeholder engagements were conducted with the South Western Uganda Development Forum and grape farmers from M/s Archard Uganda Ltd, Tanzania Group.

In addition, the first draft of the Annual Statistical Yearbook, 3rd edition 2023, was prepared, and the CEO database was updated with 158 new CEOs, bringing the cumulative total to 2,846 CEOs. The first draft of the 3rd edition of the Corporate Uganda Magazine and a new work plan for the Trade Legal Clinic follow-ups were developed, and a Memorandum of Understanding (MOU) with the Economic Policy Research Centre (EPRC) was signed.

Public Enterprises Restructuring Services: The plan is to provide technical support in the sourcing of investment partners for public enterprises; undertake settlement of liabilities under the official receiver (URSB); 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 the end of December 2024, technical support was offered to New Vision concerning recapitalisation requirements. Kilembe Mines Limited was supported with funding requirements to meet the caretaker liabilities. The applications for special titles for Jinja properties-URC were submitted. MoFPED supported UEDCL in preparing for the takeover of UMEME and raising funds for the UMEME buyout. The Public Enterprise Reform and

Divestiture (PERD) Act was amended by Parliament. A briefing paper on the inventory of public enterprises and residual assets under the PERD Act was prepared.

Business Development Services (Enterprise Uganda): The plan is to provide business related trainings and construct the National BDS Centre in Butabika.

By the end of December 2024, a total of 13,442 (53.4%) MSMEs were sensitised and received business skills trainings, against the annual target of 25,000 MSMEs. The trainings included entrepreneurship and business skills training for 3,788 PDM beneficiaries, SACCO leaders, and *Emyooga* leaders in Kisoro, Soroti, and Kampala Districts. Other trainings were: Empowering Agribusiness through Mindset Transformation for Business Success, and Entrepreneurship Training Workshops (ETW), aimed at helping participants develop a familiarity with the behavioural competencies of successful entrepreneurs.

Enterprise Uganda, in collaboration with the PDM Secretariat and district teams, conducted three Training of Trainers (ToT) sessions focused on the financial inclusion pillar under the PDM stabilisation phase. These sessions took place at the Zonal Agricultural Research and Development Institutes (ZARDI) in Lira (Ngetta ZARDI), Arua (ABI ZARDI), and Soroti, with a total attendance of 301 participants.

The Business Health Check (BHC) programme by Enterprise Uganda assessed 78 businesses, including 41 female-led (53%) and 37 male-led (47%) enterprises. The checks to businesses revealed critical challenges related to marketing, cash flow, operational inefficiencies, lack of updated financial statements, and reliance on personal savings for funding and capital. Tailored solutions were provided by counsellors, including digital marketing strategies, improved financial management systems, and staff training programmes. These trainings emphasised BHC's vital role in fostering entrepreneurial growth and resilience within Uganda's SME ecosystem.

Enterprise Uganda conducted business counselling sessions for 49 MSMEs, with 53% led by women (26 participants). These businesses represented a variety of sectors, including agribusiness, education, retail, tourism, and information and communications technology (ICT). Some challenges identified during the sessions included financial mismanagement, inadequate marketing strategies, and operational inefficiencies. They received tailored advice and counselling.

Enterprise Uganda also organised a National Business Development Services (BDS) framework stakeholder awareness session, which was attended by 76 BDS providers from across Uganda. They comprised 15 individual providers (19.7%) and 61 organisations (80.3%). The virtual session was held in December 2024 and introduced participants to the National BDS Framework, Standards, and Database, and equipped them with tools to enhance service delivery and collaboration.

A total of 5,944 MSMEs were engaged through digital platforms, with 59% males and 41% females specifically delivering the business recovery series. The BDS database was continuously updated to enhance accessibility and transparency. In addition, a total of 349 BDS members applied for inclusion in the database. Of these, 154 applications were successfully published, representing 78% of the total submissions. About 22% of the 44 remaining applications were under review for publication.

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 USh 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-storey high with three floors of basement parking, and four floors of main tower); and external works, including paved distributor and access roads, and parking.

By 31st December 2024, the substructure and superstructure were substantially completed.

The civil works were estimated at 83%, against a planned progress of 87% and a time progress of 83.3%. The financial progress was 73.58%, with all 15 certificates paid. The civil works for the substructure were at 95% and the superstructure at 84%.

Roofing was at 95%, internal finishes at 35%, while mechanical, electrical, and plumbing installations were all at 45%. External works stood at 35%, all against a target of 100%. During the monitoring period in February 2025, the contractor was finalising the finishes for the 3rd and 4th floors, designated as office space for the five directorates and the Director General's office. This work aimed for completion by April 2025, allowing Enterprise Uganda to occupy the spaces while the contractor continued with other outstanding tasks. Ongoing work in the office included installing partitions, electrical and plumbing systems, ceiling work, final painting, and floor tiling.

Industrialisation Acceleration and Job Creation: During the period under review, UIA planned to support 28 inward investment exploratory missions, 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 31st December 2024, a total of 28 inward missions were conducted from Nigeria, China, the United Kingdom (UK), Germany, Russia, the United Arab Emirates (UAE), the United States of America (USA), Canada, South Korea, India, France, Kenya, South Africa, Poland, Israel, Indonesia, and Malaysia. Consequently, 184 contact leads were established, with 40 of those contacts being female. Efforts to follow up with these contacts for potential investments in Uganda were underway. The target was surpassed due to enhanced interactions with Ugandan embassies overseas as part of the commercial economic diplomacy programme. Additionally, a total of 11 regional and international forums were attended.

A total of 37 companies were monitored, against an annual target of 200, achieving a combined capital investment of USD 46.18 billion and creating a total of 4,938 jobs. Of these, 2,284 positions were held by women and 2,650 by men, spanning various sectors, including manufacturing, agro-processing, minerals, forestry, and fishing.

Three private equity firms were attracted and licensed from the UAE, the USA, and Kenya against the annual target of four. These collectively invested USD 78.8 million in Engaano Millers, Ntake Bakery, and Great Lakes Pulp Millers. These investments are in sectors of packaging, wheat flour production, and processing. In addition, UIA was working with the Private Equity Association Uganda Chapter with the aim of promoting the development of private equity investment funds.

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

The intervention aims at strengthening the role of Government in unlocking investment in strategic economic sectors. The output under the intervention for FY 2024/25 is business development services under the United States African Development Fund (USADF). The intervention performance was fair, at 60%.

Business Development Services: The United States African Development Fund (USADF) provides business development services under this output through its support for producer organisations. An MoU for a strategic partnership between USADF and GoU was signed in November 2006, wherein USADF and GoU each contribute equal amounts (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's portfolio of supported grantees included 29 cooperatives that received support from USADF until December 2024. However, no grantee was monitored during the review period based on the advice of the USADF Uganda Country Office. It should be noted that one of the executive orders by the President of the United States of America, halting funding to Africa, directly affected this grant. Subsequently, the Grants Office in Washington advised the Country Office and the beneficiary cooperatives to cease implementation and expenditure on any activities related to the fund.

MoFPED, therefore, needs to engage with USADF on the next steps since the grant has a matching contribution from the Government of Uganda. This means that Uganda should have a stake in the decisions made by the Grants Office in Washington, DC. This will alleviate the concerns of the cooperatives and provide a way forward.

Industrialisation Acceleration and Job Creation: The plan is to profile existing local investments and link them to transnational companies across the value chains for inclusive growth, update and disseminate investment promotion materials, and develop, design, and print key bankable projects. By 31st December 2024, a total of 150 bankable project booklets and 250 QR code cards highlighting public infrastructure, healthcare, real estate, mining, ICT, and agro value addition projects worth USD 1.6 billion were disseminated. A total of three projects were linked to transnational companies. These were: East African Medical Vitals, Pearl Marina, and Jekofa Granites Uganda.

3.2.3 Strengthen 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 planned outputs were: business development services; management of ICT systems and infrastructure; investment climate advisory; microfinance support centre services; PDM financial inclusion pillar; and support to financial inclusion. The intervention performance was fair, at 63.2%.

Business Development Services: The plan under the Competitiveness and Enterprise Development Project (CEDP) includes procuring furniture and ICT equipment, operationalising the Meetings, Incentives, Conventions, and Events (MICE), and implementing a tourism grant. By the end of December 2024, the IECM materials for UWEC, including public sheds and trash bins, as well as the design, construction, and installation of animal sculptures, directional signage, information boards, and billboards, were delivered and installed. The inventory and catalogue of the museum artefacts were designed and printed, and the digitalisation of the Uganda Museum was completed.

The content bank (photography and videography) for MICE and leisure tourism promotion was completed, and the final revised policy draft awaits submission for approval by the Cabinet. The UTB collateral materials were delivered, and the Tourism Information Management System (TIMS) was operationalised. The bespoke training for Professional Conference Organisers (PCOs) and venues was completed, and a training report was generated.

Management of ICT systems and infrastructure: The plan was to support the infrastructure development under the CEDP Project. It should be noted that the project closed in November 2024. However, there were some pending activities, especially on the Uganda Museum. The pending works were being implemented under normal GoU programme funding.

The project outputs include: i) Uganda Wildlife Education Centre (UWEC) redeveloped, retooled, and modernised; ii) Uganda Wildlife Research and Training Institute (UWRTI) reconstructed, expanded, and transformed into a centre of excellence. Uganda Hotel Tourism and Training Institute (UHTTI) three-star application hotel; iii) The UHTTI School and other related facilities are completed; iv) Uganda Museum refurbished, remodelled, and modernised; and v) Uganda Museum lab storage facilities retooled. Others are: vi) ICT equipment for UWRTI, UHTTI, and TIMS delivered; vii) Office, laboratory, library, and classroom furniture for UWRTI and UHTTI delivered; viii) Assorted equipment and appliances for UHTTI delivered; and ix) Electrical works at UHTTI completed. The progress on the key planned activities is presented below:

1. ***Uganda Wildlife Education Centre (UWEC), in Entebbe, redeveloped, retooled, and modernised***

The contract was awarded to M/s Seyani International at USh 12 billion, with Studio FN as the supervising consultant. The scope of works includes: a National Wildlife hospital block extension; an administration block extension; a chimpanzee enclosure building; Kidepo fencing; an aviary; an African hunting dog enclosure building; an elephant enclosure; a car park; and road works.

The works commenced on 3rd October 2023, with the expected completion date of 30th May 2024, which was extended to 30th October 2024. By December 2024, all works were completed, and all the enclosures had been handed over to UWEC except the aviary, which was at 95% progress. All the facilities were under the defects liability period.

2. ***Reconstruction, expansion, and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese***

The contract worth USh 12.5 billion was awarded to M/s Ambitious Construction Company with a start date of 26th September 2023 and end date of 25th June 2024. The supervising consultant was Strategic Friends International. The scope of works includes: the construction of a perimeter wall, gate, and gatehouse, a chain-link 2-story administration block, a 2-story classroom block, a powerhouse, an access road to the office from the gate, and an animal protection trench; and the supply of furniture.

By the end of December 2024, the works were completed, and the site had been handed over to the institute, and the authorities issued an occupation permit. The consultant generated a snag list, and the contractor was addressing the anomalies. The furniture and fixtures for the institute were also delivered.

3. ***Completion of the Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel, training school and other related facilities in Jinja***

Phase 1A, consisting of a hotel block with 50 guest rooms, a conference room, a kitchen, and a reception, was completed and was under defects liability. The equipping and retooling of the institute was still ongoing, including the installation of a public address system in the conference hall, television screens, a bar, a kitchen, tables, chairs, beds, an air extraction system, and laundry equipment. The overall progress for phase 1A was 99%.

Phase 1B, which consists of 32 additional hotel rooms on the second floor and a service lift, was contracted to M/s ROKO Construction Company. The overall progress of phase 1B was estimated at 98%, against the 100% time progress, pending carpet installation in the corridors and the finalisation of air conditioning installation. This work was to be completed after the installation of the furniture and fixtures. The contractor faced cash flow constraints during implementation, which slowed down progress. Variations in power requirements necessitated upgrades to the transformer and generator. The furniture and fixtures for this phase have been delivered, and installation is ongoing. Additionally, approximately 80% of the bedding has been delivered.

Phase II, consisting of the construction of the training institute, was contracted to M/s CRJE East Africa Limited under Symbion Uganda's supervision for nine months (21st September 2023 to 20th April 2024). This was further extended to 30th November 2024. The scope of work covered the demolition of old structures, and the construction of a classroom block, an administration block, and a multi-purpose hall.

The overall physical progress was by 31st January was 98% against, 100%-time progress. The old structure was demolished, the superstructures for the classroom block, administrative block, and multipurpose hall were constructed, and the contractor addressed the snags. The external works (landscaping and compound paving), final painting, terrazzo floor screeding/shining for the multipurpose hall, connection to the water tank, fire hydrants, and furniture were also completed.

The furniture for the offices, classrooms, and multipurpose hall was also delivered. The project was delayed owing to late approval, the issuance of the demolition permit by the Jinja City Council, and inclement weather. The variations included installing an air conditioning system, as well as a kitchen hood in the mock-up rooms.

Top: Front view of the UHTTI administration block and classrooms. Bottom left: Ceiling and hood works in the institute kitchen. Bottom right: Some of the delivered furniture for the hotel.

4. *Uganda Museum refurbished, remodelled, modernised, and the lab storage facilities retooled*

The development of schematic designs and Bills of Quantities (BoQs) for the Uganda Museum's planned infrastructure was finalised, and the World Bank approved the process of acquiring a contractor to undertake civil works. M/s CRJE was contracted to undertake civil works at the Museum and took possession of the site on 30th July 2024. The project commenced on 16th August 2024 and is expected to end in April 2025; however, World Bank (WB) funding ended on 30th November 2024.

The scope of works includes the construction of a perimeter wall, restoration of the roofs, creation of new storage with a laboratory, creation of office space, installation of a lift, stormwater management, rehabilitation of galleries, construction of new toilet facilities, curing the walls, and restoring them to their old look, among others. By 31st December 2024, the overall progress for the civil works was estimated at 24%, against a target of 34%. The excavation of the toilet's substructure and the lift area had been completed. The weak plaster on the walls was removed. The old toilets were demolished in the reception area, and the walls were strengthened to support the planned rooms on the upper floor.

The old roofing sheets were being replaced. Preparations for a chemical upgrade of the interlocking roof slabs were underway. At the Transport Gallery, roofing construction and replacement continued. The remaining tasks were in the Natural History room, which required replacing the floor with epoxy resin, lighting updates, new display boards, and repainting. Perimeter wall: The construction of the 700 m perimeter wall was nearly completed.

Storage building: The two-level superstructure designed for temporary storage was complete, while work on the substructure of the permanent storage was still in progress. The Uganda Museum partnered with an international museum to enhance and modernise its management practices.

The project encountered adverse weather and delays in obtaining work approvals. As a result, all activities related to the tourism component commenced later than planned, and the funding for ongoing works was intended to be transitioned to the Government of Uganda's budget after the World Bank funding period ended.

Investment climate advisory: The Investment for Industrial Transformation and Employment (INVITE) Project aims to deliver its outputs under this initiative. The project's objective is to mitigate the effects of COVID-19 on private sector investment and employment while supporting new economic opportunities, including those within refugee and refugee-hosting communities. The USD 200 million INVITE project, of which USD 96 million is a loan and USD 104 million is a grant, seeks to create private-sector manufacturing jobs and increase incomes across Uganda by supporting manufacturing and exporting firms. The project will offer products through the Private Sector Foundation Uganda and the Bank of Uganda.

By 31st December 2024, total disbursements amounted to USD 8.07 million, representing 3.7% of the project budget. USD 0.334 million – accounting for 4.2% of the disbursed funds – was utilised within the same timeframe. The Investment Committee (IC) was appointed, and the Trust was established accordingly. The Project Operations Manual (POM) was finalised and approved by the Project Steering Committee and the World Bank. A consultancy was hired to assist the IC in recruiting the Trust Manager, and the recruitment process began, with an expectation to conclude by 30th March 2025.

Under PSFU, the Export Firm Support (EFS) staff recruitment, including the Sub-Component Manager, Communications Officer, Administrative Officer, Monitoring and Evaluation Officer, and Accountant, was completed. The Project Advisory Committee for Refugees (PACR) and the Export Firm Support (EFS) Coordination Committee, comprising OPM, MoFPED, UIA, MoTIC, UFPA, PSFU and UNHCR, were constituted. EFS was launched, and the first call for applications was published, targeting potential and manufacturing exporters of value-added products. A total of 149 applications were received and were under review. The key Project Implementation Unit (PIU) staff, including a Financial Management Specialist, Procurement Specialist, Internal Auditor, and Monitoring and Evaluation Specialist, were recruited.

The project was affected by the delayed approval by Parliament from December 2021 to May 2023 and the postponed fulfilment of the conditions precedent, which led to delayed commencement. The implementing partners, including MoFPED, BoU, and PSFU, should fast-track the finalisation of the conditions precedent to the disbursement of funds to ensure that all objectives and targets are achieved within the remaining loan period.

Microfinance Support Centre services: The target is to provide seed capital to a minimum of 600 *Emyooga* SACCOs, monitor 88% of these SACCOs, assist in registering at least 500 SACCOs, digitise and equip a minimum of 100 SACCOs, reach at least 1,000,000 beneficiaries, strengthen 20 weak SACCOs/unions, and create 315,000 employment opportunities, ensuring 54% representation of youth, women, and PWDs. Additionally, 50 partner organisations should be engaged to support the company's development agenda.

Other goals include providing credit funds to at least 250 qualifying client institutions through both conventional and Islamic finance, enhancing the capacity of at least 600 client institutions, which will benefit 2,500 staff and Board members with 45% representation of women. Additionally, support 200 artisans and slum dwellers, while maintaining a cost-to-income ratio of no more than 1 to 1.

A total of USh 21.97 billion was disbursed as additional seed capital to 1,094 qualifying *Emyooga* SACCOs, and the *Emyooga* beneficiaries invested in several business enterprises. The Women *Emyooga* SACCOs thrived in winemaking, artisan products, and coffee production.

A total of 3,182 *Emyooga* SACCOs were monitored under MSC's mandate to ensure the sustainability and appropriate use of *Emyooga* funds. By 31st December 2024, the total savings for *Emyooga* SACCOs reached USh 88.7 billion cumulatively, reflecting ongoing efforts to foster savings and provide mindset change training. MSC supported 574 *Emyooga* SACCOs with their registration, bringing the total number of certificates to 3,189 SACCOs.

The Management Information System (MIS) upgrade to incorporate mobile banking and mobile money applications for better client service was in progress. Consequently, no SACCOS were digitised during this period, awaiting the completion of the platform upgrade. A total of 82,440 jobs were created through the capitalisation of *Emyooga* SACCOS. Furthermore, the initiative reached a cumulative total of 783,613 beneficiaries, of whom 49% were female, 15% were youth, and 4% were persons with disabilities (PWDs). Active borrowers accessed loans at an interest rate of 8% from the *Emyooga* SACCOS.

A total of 9,446 SACCO leaders were trained during the period under review, of which 49% were male and 51% female. The training primarily focused on SACCO governance, emphasising leadership, the roles of committee members, and compliance with cooperative regulations, particularly in conducting annual audits and AGMs. This empowered SACCO leaders to manage the operations of the SACCOS and oversee the implementation of the policies.

A total of 37 underperforming SACCOs received support to strengthen their capacity. This support included targeted training and technical assistance in governance, credit management, and bookkeeping. Additionally, members and leaders were sensitised to the benefits of cooperative frameworks. These strategic interventions aimed to foster growth and enhance the resilience of these cooperatives. This initiative was carried out in collaboration with Resident District Commissioners (RDCs), District Commercial Officers (DCOs), Community Development Officers (CDOs), and Chief Administrative Officers (CAOs) to ensure the sustainable development and revival of the previously dormant cooperatives.

The MSC Board approved the Katale Loan Product, with piloting scheduled for Q3 and Q4 across five markets in all regions. A financial product concept paper for Presidential Industrial Hubs was developed, and market research aimed at identifying gaps and proposing new client-centric products was conducted to inform the new Strategic Plan.

By 31st December 2024, USh 10.17 billion was disbursed to 164 clients, reaching 10,693 final beneficiaries, and 70% of this funding was invested in the agricultural sector, mainly in crop farming, livestock, and agro-machinery. A total of 840 artisans and 1,172 slum dwellers were trained and equipped with essential skills to improve their business operations.

Efforts included support for artisan SACCOs and associations across various zones. Some of the beneficiaries include Serere County Tailors SACCO in Mbale; 26 SACCOs comprising carpenters, mechanics, and welders in Kampala; 16 SACCOs for carpenters, mechanics, and welders in Kabale; 32 artisans from eight VSLAs in Lira; 52 artisans from Action for Diversity and Kanyatete Associations in Kabarole; and technical assistance to 19 artisans from diverse trades in Arua. The cost-to-income ratio was maintained at 0.97 to 1 during the period. This is attributed to increased activity implementation during the quarter, directly impacting revenue inflows and cost absorption.

PDM Financial Inclusion Pillar: The plan is to disburse USh 25 million to each PDM SACCO every quarter, ensure efficient utilisation of parish revolving funds by eligible beneficiaries, make sure that parish revolving funds fully reach the rightful beneficiaries and are effectively utilised per the guidelines, and build capacity at Local Governments to implement the parish revolving funds effectively.

By 31st December 2024, the parish revolving funds had not been transferred to the PDM SACCOs. However, a field evaluation exercise was conducted in the Busoga sub-region to assess the progress of USh 81 billion disbursement that the Government had transferred to PDM SACCOs in the previous FY. MoFPED issued a circular to Local Governments guiding them in the implementation process of PDM Pillar 3 on financial inclusion. In addition, regional assessments and technical assistance were provided to respective LGs to improve disbursement to last-mile beneficiaries.

Support to financial inclusion: The plan was to strengthen 2,190 Community Savings and Credit Groups in 146 districts, improve access to financial services, establish a monitoring and evaluation framework, improve financial investment decisions at local levels, digitalise 50 financial services, and convene the microfinance forum.

By 31st December 2024, a total of 1,125 (51.3% of the annual target) Community Savings and Credit Groups (including PDM Enterprise Groups and *Emyooga* associations) received backstopping support in business development services and financial literacy. Additionally, 105 Parish Chiefs were trained in financial literacy and business development services in the districts of Mbarara, Mbale, and Lira, and 400 additional Chiefs received training at the PDM Academy on PDMIS and WENDI disbursement.

A total of 177 District Local Governments were offered training of trainers (ToTs) on PDMIS and WENDI Wallet, an online academy. The other 18 staff were trained on financial literacy and business development services as ToTs, and 177 Local Governments were covered under data cleaning and guidance for 10,589 PDM SACCOs.

3.2.4 Increase access to affordable credit, primarily targeting MSMEs

The intervention contributes to the objective of sustainably lowering the costs of doing business. The planned outputs for FY 2024/25 include coordination and oversight of microfinance services provided, private sector development services offered, supervision and coordination of the non-banking sector provided, and implementation of the small business recovery fund. Overall intervention performance was very good, at 95%.

Coordination and oversight of microfinance services provided: The plan is to have a harmonised legal framework that enables the development of the microfinance industry, fosters a sound and stable financial sector, enhances stability in the financial sector, and facilitates the production of quarterly performance reports. By 31st December 2024, stakeholder comments on the amendments to the Financial Institutions Act were incorporated for review. The financial sector performance report for the months of July to December 2024 was developed, and a paper on virtual assets was created and presented to the Cabinet**.**

Private Sector Development Services: This is implemented under the Enhancing Growth and Productivity Opportunities for Women Enterprises project (GROW). The plan is to have 1,563 women entrepreneurs accessing loan products through banks, microfinance institutions (MFIs) and SACCOs, 30 training and Business Development Services (BDS) providers recruited/ retained, 15,000 beneficiaries skilled and provided business development services.

By 31st December 2024, a total of 3,709 women, including 1,213 refugees and 2,349 from the refugee-hosting districts, were trained and provided with business development services against a target of 15,000 beneficiaries. A total of 1,525 women borrowers received GROW loans ranging from USh 4 million to USh 200 million across 74 districts and two cities in the country. The main purpose of the loans is to improve women's businesses in the supported sectors of agriculture and agro-processing, trade, retail, and social services. The skills component implemented by PSFU is being redesigned to engage more women who have benefited from GROW loans in the identified skill areas.

Oversight and coordination of the non-banking sector provided: The plan is to develop *Emyooga* guidelines and implementation reports every quarter, harmonise the Tier IV Act, update the database on the financial industry, and harmonise and implement effective capital markets. Progress reports on the performance of the Agriculture Insurance Scheme have been produced.

By 31st December 2024, a total of 3,189 *Emyooga* SACCOs were supported in obtaining registration certificates, the Tier IV laws were reviewed, and a draft matrix on the areas of revision was being developed. A total of 388 model SACCOs were established and 174 SACCOs received specific training on SACCO operations. The legal review proposals were developed to improve the performance of the pension sector. The International Capital Markets Development Forum was facilitated to generate ideas for enhancing the contribution of the capital markets to fulfilling Uganda's 10-fold growth agenda.

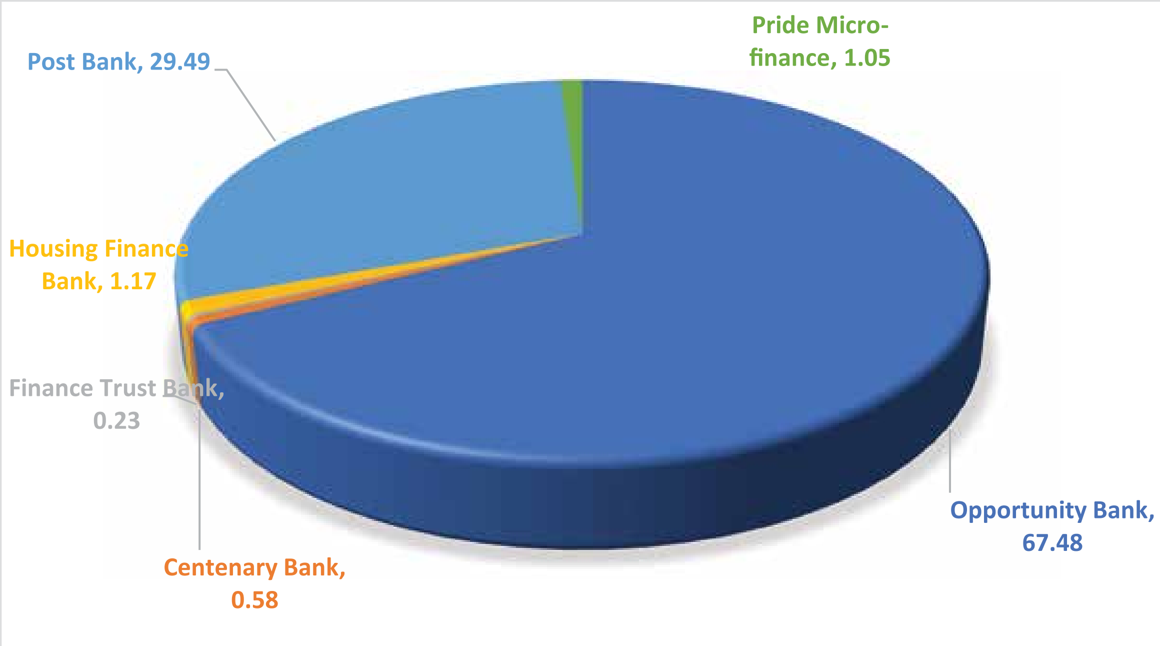
Small Business Recovery Fund implemented: The Bank of Uganda received USh 100 billion in 2020 from the Government to capitalise the Small Business Recovery Fund (SBRF) to facilitate the provision of loans to small businesses that suffered financial distress from COVID-19. The banks/Participating Financial Institutions (PFIs) must match the GoU funds with 50% contribution.

By 31st December 2024, the Bank of Uganda, under the Small Business Recovery Fund (SBRF), had disbursed a total of USh 21.34 billion to 858 beneficiaries. The funds were disbursed through the PFIs across the country. A total of 113 beneficiaries were companies/institutions with a total loan amount of USh 5.49 billion (25.8%). On the other hand, 745 were individual beneficiaries (youth –18 to 35 years; middle-aged – 35 to 59 years; and senior citizens – 60 years and above) with a combined loan amount of USh 15.85 billion (74.2% of the disbursed funds).

Opportunity Bank had the highest percentage of beneficiaries (67.4%) with a loan share of 41.2% of the disbursed funds. This was followed by Post Bank, which had a 29.49% share of the beneficiaries, but with the highest percentage, 53.02%, of the disbursed funds. Finance Trust Bank had only two beneficiaries, Centenary Bank had five and Pride Microfinance had nine.

The bank with the least disbursements (USh 96 million, i.e. 0.45%) was Pride Microfinance (Figure 1).

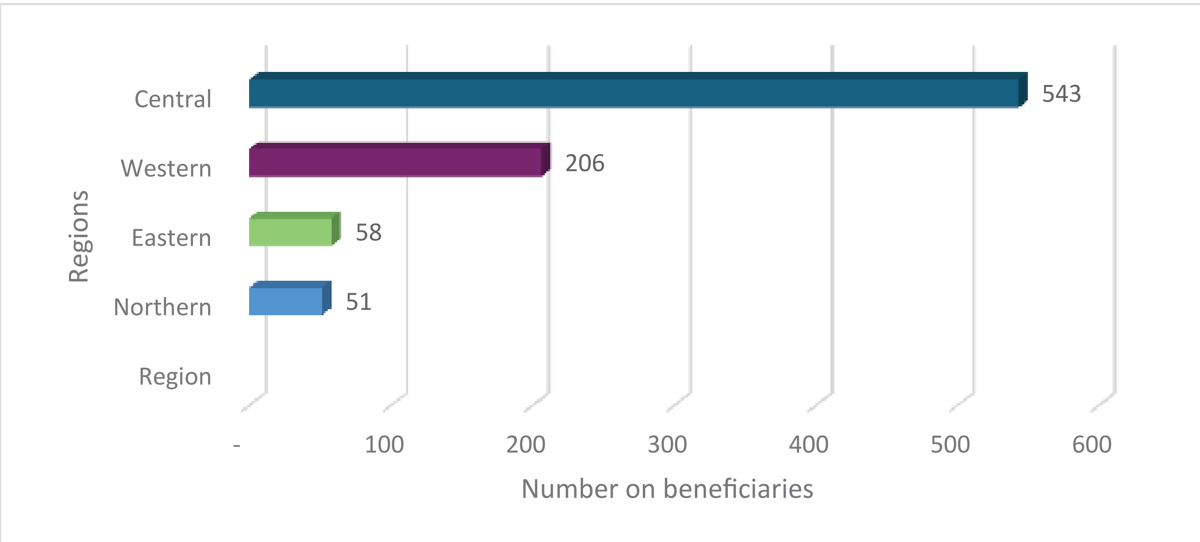
Figure 1: Percentage share of the loan disbursement by the Participating Financial Institutions as at 31st December 2024



Source: SBRF: Disbursement lists as of 31st December 2024

The Central Region had the highest number of beneficiaries, with 543 (63.29%), and shared 63.54% of the total disbursement. This was followed by the Western Region, which had 206 (24%) beneficiaries and a 20.9% disbursement share. The Eastern and Northern Regions had a combined 109 beneficiaries sharing USh 3.3 billion of the disbursed funds during the period under review (Figure 2). There was a slight improvement in the uptake of the fund compared to the previous financial years, owing to more engagement with PFIS by the Bank of Uganda. The requirement for land titles as collateral security was still affecting the uptake of the funds.

Figure 1: Number of SBRF funds by region as at 31st December 2024



Source: Disbursement lists as of 31st December 2024

3.2.5 Increase access to long-term finance

The intervention contributes to sustainably lowering the cost of doing business. The planned output was financial sector policy and oversight. The intervention performed very well, at 96%.

Financial Sector Policy and oversight: The plan is to develop National Development Finance Institutions, review Credit Reference Bureau Regulations, develop measures for credit guarantee schemes, produce performance reports on development finances in Uganda, and harmonise the financial sector's legal and regulatory framework. By the end of December 2024, the National Development Finance Institutions Policy was being finalised to guide the operations of development finance institutions in the country. In addition, the draft review comments were under consideration by the Bank of Uganda, the regulatory agency for Credit Reference Bureaus.

Government intervention in providing premium subsidies for agriculture insurance promoted growth in the insurance and agricultural sectors. To this extent, over 16,800,000 farmers nationwide benefited from the scheme. The Financial Sector Development Strategy Action matrix was implemented with specific measures to improve the country's savings.

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

The intervention contributes to the programme's objective of promoting local content in public programmes. One of the two outputs under the intervention was monitored in FY 2024/25 and was investor education and stakeholder facilitation. The overall performance of the intervention was good, at 94%.

Investor education and stakeholder facilitation: The Uganda Investment Authority (UIA) planned to facilitate and link 160 domestic investors to access ICT services through innovation hubs, and support four domestic investment outreach programmes (exhibitions, business fora, expos, and surveys).

By 31st December 2024, a total of 52 direct investments linked to six innovation hubs were facilitated and related to technology and innovation support. These are: National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE), Centre for Research in Energy and Energy Conservation (CREEK), and Uganda Institute of Information and Communication Technology (UIICT), Ndaba, CURAD and ITC Innovation hubs.

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

The intervention contributes to the programme objective of strengthening the enabling environment and enforcement of standards, and one deliverable over the NDP III period – increased fully serviced industrial parks. The intervention aims to develop serviced industrial parks that attract domestic and foreign direct investment, thereby reducing the operational costs incurred by investors. The planned output for FY 2024/25 is industrial parks developed and managed. The overall intervention performance was poor, at 43%.

Industrial park development and management: UIA signed an MoU with M/s BHM Construction International (UK) Ltd for 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 National Environment Management Authority (NEMA). The draft pre-feasibility studies conducted with NPA were reviewed to prepare feasibility studies for three established industrial parks in Kasese, Soroti, and Jinja. UIA also commenced the detailed profiling of SME investors renting warehouses and operating in the Kampala Industrial and Business Park (KIBP). The progress made in the development of infrastructure is presented hereafter.

The Kampala Industrial and Business Park Project: In 2018, a commercial EPC contract was signed for the infrastructure development of the Kampala Industrial and Business Park (KIBP) between the Government of Uganda, represented by UIA, and M/s Lagan, in a joint venture with M/s Dott Services, which later became M/s Lagan Dott Namanve Limited (LDNL). The project's total cost is Euro 215,065,212.41, and the Government of Uganda finances it with support from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB). The contract began on 6th July 2020, with a new completion date set for 4th September 2025.

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

By 28th February 2025, the infrastructure development at the Kampala Industrial and Business Park (KIBP)-Namanve was estimated at 57%, compared to the planned progress of 84% and a time progress of 90.4%. The financial progress, including advance payment, was at 52%. The project was significantly behind schedule, with minimal signs of addressing the recommendations made in previous reviews.

Road construction was at 49%, against a target of 80%. The water supply network was at 51%, against a target of 72%, with excavation for pipe laying ongoing in all estates. Construction of power supply services progressed to 16%, against a target of 61%. The sewage network was at 40%, against a target of 70%. The laying of fibre optic cables and CCTV was at 17%, against a target of 65%. The construction of street solar lighting and traffic lights was at 8%, against a target of 61%; while the weighbridge construction was at 6%, against a target of 69%. The solid waste treatment facility and SME park were at zero (0%) progress due to the lack of land for their construction. The land for the WWTP was identified within the KIBP, and approval by NEMA was obtained; however, the facility's construction had not commenced.

The project management team had not received administrative support since July 2023, and staff salaries had not been paid since January 2024. The Owner's Engineer had not been paid since GoU had not released its annual obligation of USh 6 billion. As outlined in the contract, the Technical and Steering Committees rarely convened to monitor progress and tackle problems between the contractor and the client. Additionally, establishing a Dispute Adjudication Board (DAB) to address certain contract-related matters was delayed, hindering timely project completion according to the revised schedule.

The overall project performance was poor, with only 7% progress in the last 12 months (January to December 2024). Owing to the slow progress, some of the completed work has exceeded the defects liability period. The project faces risks of cost and time overruns from idle time, delayed payments to the contractor and the Owner's Engineer, and slow acquisition of alternative sites for waste treatment facilities and SME parks, all on the project's critical path.

Project Challenges

i) Delayed approval of the site for the Wastewater Treatment Plant. This was worsened by the 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 the issuance of illegal titles on KIBP land by the Mukono DLG is a common issue in the South C8 section. Here, three titles were issued, overlapping on the drainage way.

iii) The failure of the Project Technical and Steering Committees to regularly convene meetings delayed the resolution of some disagreements between the contractor, the supervisor, and the client.

iv) Absence of an Independent Environmental and Social Consultant (IESC) – Ramboll UK Ltd – at the 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) UIA should earnestly identify suitable sites for solid waste and SME parks or re-scope these for another phase.

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

iii) UIA should expedite the formulation and constitution of the Dispute Adjudication Board (DAB) to deal with some of the contract-related issues.

iv) MoFPED should adequately release the counterpart funds for the project to clear outstanding payments to the Owner's Engineers and the project management team.

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

The intervention contributes to the programme's objective of sustainably lowering business costs. Two out of three intervention outputs were monitored for FY 2024/25: Capital Markets Authority Services, investor education, and stakeholder facilitation. The overall intervention performance was 98%.

Capital Markets Authority (CMA) services: The planned activities are: new licences approved and old ones renewed; investor confidence in the capital markets improved; and a reduction in incidents of Ponzi schemes fleecing Ugandans of their savings. By 31st December 2024, the Market Supervision Department concluded the review of 11 applications, which the CMA Board approved. The applications included four (4) unit trust scheme licence applications, two unit trust manager applications, two transaction adviser applications, one custodian application, one fund manager application, and one dealer application.

In addition, 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 Organization of Securities Commissions (IOSCO) principles, covering 10 out of 26 required principles, was initiated. CMA signed an MOU with Financial Sector Deepening Africa (FSDA) to provide a framework for collaboration in sustainability-linked finance. FSDA was to provide technical support for CMA in developing a regulatory framework for sustainability-linked bonds, and the procurement of a consultant commenced.

CMA renewed XENO's fund manager and unit trust manager licences, subject to four conditions, including compliance with working capital and liquid resource requirements of USh 200 million and the appointment of a Country Manager within six months. By 31st December 2024, XENO had fulfilled one of the four conditions while entering a tax payment plan with URA for an outstanding PAYE liability of USh 927 million.

Investor education and stakeholder facilitation: The plan is to process 8,000 transactions through the One-Stop Centre (OSC), issue 360 investment licences, redesign and upgrade the eBiz portal, develop requirements for OSC business process flow, set up a National Investment Management System (NIMS), and develop investment clusters along the NDP III growth line for value addition. Other planned outputs were: support four domestic investment outreach programmes (exhibitions, business fora expos, and surveys); link 160 domestic investors to business linkages and opportunities through the National SME portal; and profile 480 domestic investors into the National SME portal, database and SME portal for traceability; and access to services and business linkages maintained.

By 31st December 2024, 9,638 out of the planned 8,000 transactions were processed through the OSC, translating into 230 licensed projects, with a planned investment of USh 2,094,182,169 and 28,068 planned employment opportunities. In addition, 232 out of the planned 360 investment licences were processed and issued, with an average processing time of 24 hours, against the target of 48 hours. The eBiz portal was redesigned and upgraded to 45% completion, while the development of NIMS progressed to 50% completion. UIA received and incorporated input on system requirements from different departments.

One maize value addition cluster was formed in Kiboga District. From this, 60 domestic investors (26 females) established a Cluster Action Team and received connections to Equator Seeds for farm and market support. Their financing proposal was to be submitted to UDB for technology support.

A total of six outreach programmes were supported: 57 direct investments at the Wakiso Youth Investment Forum; 34 direct investments during the Kasese Tourism and Investment Forum; and 46 direct investments by the Academy of Women Entrepreneurs. Others include the USSIA @ 45 conference and exhibition; AWE Market Day; and the EAC Regional exhibition in Juba. A total of 165 domestic investors were profiled on the NSME portal, with 56% female-owned.

Additionally, 240 domestic investors received support for business linkages via the NSME portal. This included 13 domestic investors from Kikuubo who were educated about shifting from trade to manufacturing, five direct investments connected to GROW and INVITE Projects/UDB for financing, and two domestic investor products showcased in the marketplace. There were also 15 direct investments in SME linkages to accessible financing. Furthermore, 26 direct investments were featured on the NSMEP marketplace, and 86 domestic investors participating in the honey value chain were connected with Green World Group UAE for affordable financing, market access, capacity building, and technology transfer. A framework was established to assist 13 Kikuubo traders in transitioning to manufacturers, linking them with finance, technology, and markets.

3.2.9 Rationalise and harmonise 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 FY2024/25 were: construction management; facilities and equipment management; market surveillance inspections; and standards development. The overall intervention performance was very poor, at 47.1%.

Construction management: UNBS planned to construct the ground floor of the engineering laboratory at Bweyogerere under Project 1783: Construction of Food Safety and Engineering Testing Laboratories. As of 31st December 2024, the procurement process for a consultant had not yet been finalised. The project was behind schedule.

Facilities and equipment management: The plan under UNBS was to procure one field vehicle, one piece of specialised equipment, assorted furniture and fittings, and various ICT hardware. By 31st December 2024, the procurement of all items was in the initiation stages.

Market surveillance inspections: UNBS conducted 1,455 market outlet inspections during the review period, against an annual target of 2,250. The inspections occurred in supermarkets, shops, distribution outlets, hardware stores, manufacturing premises, and distribution vans and trucks. They were carried out across all country regions to protect people from dangerous and substandard goods. A total of 183 non-compliant premises were sealed, comprising 86 in Central, 50 in Western, 43 in Eastern, and 4 in Northern Uganda.

Seizures were made across the country, and most seizures were made in the Central Region, followed by the Eastern, Northern, and Western Regions. Foods and beverages were the most non-conforming products, followed by construction materials and cosmetics.

Development of standards: UNBS planned to develop 300 standards. By 31st December 2024, a total of 56 standards that were developed were awaiting approval by the National Standards Council (NSC).

Conclusion

The performance of the sub-programme was good, at 71.2% (Annex 2). Four out of the nine monitored interventions under the sub-programme had very good performance, one had good performance, two were fair, while two had poor performance. 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. The construction of the National Business Development Services Centre in Butabika progressed well following the six-month no-cost extension.

The performance of the sub-programme was good (71.2%). Out of the nine monitored interventions, four demonstrated very good performance, one exhibited good performance, two were assessed as fair, while two reflected poor performance. Notable successes included support for Savings and Credit Cooperative Organisations (SACCOS) and foundational institutional work. Key achievements comprised the disbursement of over Ugandan USh 43 billion to *Emyooga* SACCOs and individual businesses through MSC and SBRF.

However, the parish revolving funds had not been transferred to the PDM SACCOs; while infrastructure development at the KIBP was slow and behind schedule. Implementations under the INVITE Project were yet to commence, except for the recruitment of the INVITE Committee. The USADF Project was not monitored due to the executive order by the President of the United States of America, which stopped funding to any USAID-funded projects.

Recommendations

1. UIA should earnestly identify suitable sites for solid waste and SME park or have these re-scoped and phased to facilitate completion of the project.

2. BoU, together with the PFIs, should intensify awareness campaigns for SBRF to ensure increased uptake of the available funds by small businesses.

3.3 Strengthen 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 performance of the sub-programme was fair, at 64.9%, and the summary of performance of the monitored interventions is given in Table 3.4. The good performance was registered under the intervention of strengthening system capacities to enable and harness the benefits of coordinated private sector activities. The interventions of creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED, and fully service the industrial parks and increase access to them by the local private players, had poor performance.

Table 3.4: Performance of interventions under the Strengthening Private Sector Institutional and Organisational Capacity Sub-programme by 31st December 2024

Intervention	Colour code	Remark
Increase access to affordable credit, largely targeting MSMEs	63.95	Fair performance
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED	21.23	Poor performance
Rationalise and harmonise standards, institutions, and policies at the local and regional level	73.82	Good performance
Strengthen system capacities to enable and harness the benefits of coordinated private sector activities	90.79	Very good performance
Fully service the industrial parks and increase access to them by the local private players	40	Poor performance

Source: Field Findings

3.3.1 Increase access to affordable credit, largely targeting MSMEs

The intervention contributes to the objective of sustainably lowering the costs of doing business. The planned output was capitalisation of institutions and financing schemes, and its score was fair at 63.9%.

Capitalisation of institutions and financing schemes: The plan is to capitalise Uganda Development Bank, Post Bank, the Agricultural Credit Facility (ACF), and the Uganda Agricultural Insurance Scheme. By the end of December 2024, USh 25 billion had been disbursed as the Government contribution to ACF, and USh 5.7 billion had been disbursed as the Government subsidy to the Uganda Agricultural Insurance Scheme. The capitalisation of Uganda Development Bank and Post Bank was not undertaken during the period under review.

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

The intervention contributes to the programme's objective of strengthening the enabling environment and enforcement of standards. The monitored output for FY 2024/25 was policies, regulations and standards. The intervention performance was poor, at 21.3%.

By 31st December 2024, the donor round-table meetings aimed at attracting funding for 10 men and 10 women in green growth businesses were not organised. However, funds totalling USh 41.235 million were spent under the output for general staff salaries and fuel, lubricants, and oils.

3.3.3 Rationalise and harmonise standards and policies at the local and regional level

The intervention contributes to the objective of strengthening the enabling environment and enforcement of standards. The planned 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 performance was good, at 73.8%.

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 the Common Market for Eastern and Southern Africa (COMESA) to increase market access for locally produced Ugandan goods. By the 31st December 2024, three (3) bilateral meetings were held with Kenya, Rwanda, and Russia. Multilateral meetings were not held during the period under review.

Support to African Growth and Opportunity Act (AGOA): The plan was to provide USh 50 million each quarter to AGOA to run its facilities. By 31st December 2024, a total of USh 100 million for the first two quarters of the FY were disbursed to the AGOA Secretariat. The funds were used to pay for rent, fuel, and allowances.

Monitoring and evaluation: The plan is to establish compliance levels in the implementation of the Trade Licensing (Amendment) Act and Hire Purchase Act, and streamline grain trade operations. By 31st December 2024, MoTIC engaged LG officials and businesses conducting hire purchase businesses in Kasese, Kabale, Kisoro, Ibanda, and Sheema Districts for licensing, possible customers' exploitation, and compliance. MoTIC also monitored and evaluated the implementation of the amended Trade Licensing Rates and Grades in seven[2] selected LGs in Southwestern Uganda to ascertain compliance, ensure trade order, and identify any licensing concerns among traders.

MoTIC held a meeting of 30 members of the National Coordination Forum on Grain Trade, and from the meeting, PPDA was tasked to finalise the guidelines to mandate MDAs to only procure maize certified by UNBS, and MoTIC was tasked to expedite the Aflatoxins Project.

In addition, MoTIC inspected the status and utilisation of border infrastructures (Mpondwe, Goli, and Oraba) that it had developed. From the inspection, it was discovered that there was a decline in the number of small-scale traders. This was due to the lack of constant engagement with the Democratic Republic of the Congo (DRC) authorities on some trade levies and bribery. It was also discovered that UNBS and MAAIF were not present at the Goli border point.

3.3.4 Strengthen 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 good, at 90%.

Product development undertaken: The plan is to create awareness among stakeholders (including women and youth) about domestic trade-related laws and policies; collect, review and analyse trade licensing returns from selected municipalities; and compile and analyse quarterly market intelligence information.

By 31st December 2024, MoTIC sensitised 35 stakeholders including women and youth (DCOs and the private sector) in West Nile region on trade-related laws and policies (BUBU Policy,

[2] Sheema, Rukungiri, Ntungamo, Bushenyi, Mitoma, Ibanda and Rubirizi Districts

Trade Licensing (Amendment) Act 2015, the Hire Purchase Act, and the Sale of Goods and Supply of Services Act).

In addition, market intelligence information was collected from three districts in Eastern Uganda (Mbale, Iganga and Jinja) and four districts in Northern Uganda (Gulu, Lira, Kitgum, Nwoya), and analysed to guide policy. The collection, review and analysis of trade licensing returns from selected municipalities was not undertaken during the period under review due to shortage of funding.

Business Development Services (BDS): The plan is to train entrepreneurs in creating business plans, improving financial literacy, resource mobilisation, and recordkeeping. By the end of December 2024, a total of 399 entrepreneurs were trained by MoTIC in creating business plans, enhancing financial literacy, resource mobilisation, and recordkeeping in Budaka, Butebo, Mitooma Town Council, Bududa, Manafwa, Namisindwa, Kiruhura, and Rwampara.

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

The intervention aims at providing fully serviced industrial parks as an incentive to investors. The planned output under the intervention is industrial park development and management. The intervention registered poor performance (40%).

Industrial park development and management: The plan is to manage ten operational industrial parks, assist 20 investors in accessing land for investment purposes, secure the land title for one industrial park, conduct four environmental sensitisation campaigns, and develop two feasibility studies for the development of industrial parks.

By 31st December 2024, a total of eight operational industrial parks were monitored: KIBP-Namanve, Luzira, Bweyogerere, Mbale, Soroti, Kasese, Mbarara, and Jinja. The Karamoja Industrial Park was not operational. Five out of the planned 20 investors were assisted in accessing land for investment purposes in the Kasese and Jinja Industrial Parks, and two environmental sensitisation campaigns were conducted. Feasibility studies were not undertaken due to a lack of allocated funds for the activity, and the land title was not secured.

The development of infrastructure in the 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 Work for the roads and the Ministry of Water and Environment 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, works had stalled and the contractor had grounded all equipment due to the non-payment (reimbursement) by the GoU for 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 the challenge of the incomplete drainage channel exposing the park to flooding. Another challenge was unstable, insufficient and yet expensive electricity. GoU, through UIA, was yet to release funds to reimburse the contractor so that the works could resume.

Top: Abandoned site for the water treatment plant in Mbale. Bottom: Some of the equipment parked at the contractor's yard at Sino-Mbale Industrial Park, pending reimbursement of the funds by GoU.

Conclusion

The overall performance of the sub-programme was fair, at 64.9% (Annex_3). The intervention of strengthening system capacities to enable and harness benefits of coordinated private sector activities had a very good performance. The intervention involving creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote LED had poor performance. Funds for the Agricultural Credit Facility (ACF) and the Uganda Agricultural Insurance Scheme were provided (performance details in the Agro-industrialisation report), while stakeholders were engaged and sensitised on different laws and policies under the programme.

Feasibility studies and the acquisition of land titles for select industrial parks were pending. The capitalisation of Uganda Development Bank and Post Bank was not undertaken during the period under review. It was observed that some outputs did not have targets, making measurement of performance difficult, while some interventions and outputs were not aligned to the PIAP.

Recommendations

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

2. MoFPED should expedite the capitalisation of UDB and Post bank to ensure access to affordable credit by the intended beneficiaries.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The overall performance of the PSD Programme was fair, at 68.1%. The Enabling Environment Sub-programme recorded good performance, at 71.2%, while the Strengthening Private Sector Institutional and Organisational Capacity Sub-programme had fair performance, at 64.93%. The poor disbursement under the PDM Financial Inclusion Pillar, which represented 52.2% of the programme budget, along with the halt in the implementation of planned outputs under UFZA and UEPB due to the rationalisation of Government institutions, further impacted overall performance.

To increase non-commercial lending to the private sector, small businesses were supported to recover from the aftereffects of COVID-19 through SBRF. However, despite the increase in uptake compared to the previous financial years, there is still limited awareness, and slow uptake is attributed to the collateral required. The INVITE Project registered slow progress, with only the INVITE Committee in place, despite having only one year to the end of the project period.

Steps were made to support the key growth sectors, especially agriculture, through the capitalisation of the Uganda Agricultural Insurance Scheme and the Agriculture Credit Guarantee Facility. However, capitalisation of UDB and Post Bank was not achieved during the period under review.

Infrastructure development under the CEDP Project was nearing completion except for the furnishing of UHHTI and infrastructure at the Uganda Museum, which was ongoing and behind schedule. 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.

The Private Sector Development Programme was further hampered by the halting of funding to the cooperatives under USDAF, and the delayed finalisation of new structures for the agencies affected by the government rationalisation program.

4.2 Recommendations

1. The Project Coordination Committee for the USADF Project should guide on the next steps to salvage the investments already made by the cooperatives. This is pertinent because the USADF support is not entirely US Government funding but also a 50% GoU matching contribution.
2. UIA should expedite the completion of civil works for the KIBP-Namanve to avoid further delays, cost overruns, and missed opportunities.
3. The Ministry of Public Service should expedite the finalisation of the new structure for rationalised agencies under the PSD Programme.
4. BOU and Participating Financial Institutions (PFIs) should continue to popularise SBRF to potential beneficiaries, including special interest groups such as youths and women, to ensure increased uptake of the funds.

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ANNEXES

Annex 1: Interventions Monitored for Semi-Annual FY 2024/25

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, MoTIC
	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, MoTIC
	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, MoTIC
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, MoTIC
	Rationalise and harmonise standards institutions, and policies at the local and regional level	UNBS, MoTIC
	Increase access to affordable credit largely targeting MSMEs	MoFPED, UDB, BoU
	Fully service the industrial parks and increase access to them by the local private players	UIA, MoFPED

Source: ***Author's Compilation***

Annex 2: Performance of the Enabling Environment Sub-programme as at 31st December 2024

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	46.8	91	100	55	100	Two quarterly fact reports on trade and investment were produced and the invite committee was recruited.
	Private Sector Development Services	4,620,000,000	50.	94	100	22	44	The 5th Biannual Presidential CEO Forum Retreat was finalised and the first draft of the annual statistical year book 3rd edition 2023 was prepared.
	Public Enterprises Restructuring Services	37,311,000,000	94.6	98	100	58	61.29	The Public Enterprise Reform and Divestiture (PERD) Act was amended by Parliament. Applications for special titles for Jinja properties-URC were submitted.
	Business Development Services	29,360,000,000	41.1	100	100	80	100	A total of 13,442 (53.4%) Medium, Small and Micro Enterprises (MSMEs) were sensitised and received business skills trainings and the civil works were estimated at 83%.
Undertake strategic and sustainable Government investment and promote private sector	Industrialisation Acceleration and Job Creation	300,000,000	50	58	100	30	60	A total of 37 companies were monitored, against an annual target of 200, with a combined actual capital investment amounting to USD 46.18 billion and a total of 4,938 jobs created.

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 (%)	
partnerships in key growth areas	Business Development Services	4,600,000,000	50	100	100	30	60	USADF support to the cooperatives was suspended following the executive orders by the President of the USA.
Strengthen system capacities to enable and harness benefits of coordinated private sector activities	Business Development Services	876,000,000	57.3	3	100	98	100	The IECM materials for UWEC, including public sheds and trash bins, design, construction, and installation of animal sculptures, directional signage, information boards, and billboards were delivered and installed.
	Management of ICT systems and infrastructure	1,360,000,000	100	14	100	85	85	The CEDP Project closed in November 2024. All works at UWEC, UWRTI, and UHHTI were substantially complete and under defects liability. The refurbishment and modernisation of the Museum was at 24%.
	Investment climate advisory	220,703,000,000	2.2	-	100	0.40	17.89	Under PSFU, recruitment of the Export Firm Support (EFS) staff, including the Sub-Component Manager, Communications Officer, Administrative Officer, Monitoring and Evaluation Officer and Accountant, was completed.
	Microfinance Support Centre services	150,070,000,197	98.8	100	100	46	46.55	A total of USh 21.97 billion was disbursed as additional and initial seed capital to 1,094 qualifying *Emyooga* SACCOs. The cost-to-income ratio was

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 (%)		
									maintained at 0.97 to 1 during the period.
	PDM financial inclusion pillar	1,068,401,800,000	0.2	100	100	0.05	29.68		The parish revolving funds had not been transferred to the PDM SACCOs.
	Support to financial inclusion	5,600,000,000	50	100	100	50	100		A total of 1125 (51.3% of the annual target) Community Savings and Credit Groups (inclusive of PDM Enterprise Groups and *Emyooga* associations) were provided with backstopping.
Increase access to affordable credit largely targeting MSMEs	Coordination and oversight of microfinance services provided	3,911,873,737	50	97	100	48	96		The Cabinet Paper on Virtual Assets was developed and presented to Cabinet.
	Private Sector Development Services	136,892,000,000	35.8	63	100	72	100		A total of 3,709 women, including 1,213 refugees and 2,349 from the refugee-hosting districts, were trained and provided with business development services.
	Oversight and coordination of the non-banking sector provided	5,136,233,803	50	99	100	45	90		3,189 *Emyooga* SACCOs were supported in obtaining registration certificates, the Tier IV laws were reviewed.
Increase access to long-term finance	Financial Sector Policy and oversight	5,690,554,000	50	89	100	48	96		The National Development Finance Institutions Policy was being finalised.

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 (%)	
Develop and implement a holistic local content policy, legal and institutional framework	Investor education and stakeholder facilitation	200,000,000	50	65	100	47	94	52 direct investments linked to 6 innovation hubs were facilitated and linked for technology and innovation support.
Fully serviced industrial parks and increase access to them by the local private players	Industrial Park development and management	160,000,000	100	50	100	43	43	Progress on the development of infrastructure in the KIBP was slow and behind schedule at 55%.
Address non-financial factors (business processes) leading to high costs of doing business	Capital Markets Authority Services	9,244,000,000	50	100	100	48	96	Good performance. Draft Regulatory Sandbox Guidelines were initiated.
	Investment licensing and aftercare service	187,149,145	50	75	100	95	100	9,638 transactions were processed through the OSC, translating into 230 licensed projects with a planned investment of USh 2,094,182,169 and a 28,068 planned employment.
Rationalise and harmonise standards, and policies at local and regional level	Construction management	3,735,606,200	37.5	-	100	5	13.34	The procurement process for consultant for Construction of Food Safety and Engineering Testing Laboratories had not yet been concluded.
	Facilities and equipment management	3,665,787,200	77.6	5	100	50	64.4	Fair performance. The procurement of all the items was at initiation stages.

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 (%)**		
	Market surveillance inspections	500,000,000	100.	32	100	64	64		UNBS conducted 1,455 market outlets inspections.
	Development of standards	600,000,000	83.3	15	100	39	46		56 standards that were developed were awaiting approval by National Standards Council (NSC).
	Total	**1,694,056,642,952**	**16.5**	**89**			**71.16**		Good performance
Average Outputs Performance							**71.16**		***Good performance***

Source: PBS Reports, IFMS and Field Findings

Annex 3: Performance of the Strengthening Private Sector Institutional and Organisational Capacity Sub-programme as at 31st December 2024

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:	196,463,089,304	40.6	100	100	26	63.97	USh 5.7 billion disbursed under Uganda Agricultural Insurance Scheme, Uganda Development Bank and Post Bank.
Create appropriate incentives and regulatory frameworks to attract the private sector to finance green growth	Policies, regulations and standards	1,141,317,840	46.9	85	100	10	21.32	Poor performance with no policies reported but funds spent.
Rationalise and harmonise standards, and policies at local and regional level	Economic integration and market access	370,000,000	40.4	75	100	40	99.03	Three (3) bilateral meeting were held.
	Monitoring and Evaluation:	325,686,156	41.1	97	100	20	48.62	MoTIC inspected the status and utilisation of border infrastructures (Mpondwe, Goli and Oraba).

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 benefits of coordinated private sector activities	Product development undertaken	171,372,435	23.7	98	100	20	84.45	35 stakeholders sensitised on trade-related laws and policies, such as BUBU Policy, the Trade Licensing (Amendment) Act, 2015, the Hire Purchase Act, and the Sale of Goods and Supply of Services Act.
	Business Development Services (SDP)	155,656,337	23.7	100	100	23	97.12	399 entrepreneurs were trained by the MoTIC on making business plans, financial literacy
Fully service the industrial parks and increase access to them by the local private players	Industrial park development and management	548,000,000	50	1	100	20	40	A total of eight operational industrial parks were monitored. The Karamoja Industrial Park was not operational.
	Total	**199,175,122,072**	**40.7**	**99**			**64.93**	**Fair performance**
Average Outputs Performance							**64.93**	

Source: PBS Reports, IFMS and Field Findings

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