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REPUBLIC OF UGANDA

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THE NATIONAL DEVELOPMENT PLAN IV (NDPIV)

(2025/26–2029/30)

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September, 2024

National Planning Authority

Uganda Vision 2040

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FOREWORD

The fourth National Development Plan (NDPIV) to be implemented between FY2025/26 to FY 2029/30 comes at a critical point in Uganda's development trajectory. It is the fourth plan in the implementation of Uganda Vision 2040 that aims at transforming the Ugandan society from a peasant to a modern and prosperous country by 2040. Particularly, it kickstarts the second half of implementation of this Vision. It is the last plan in the implementation of the Global Agenda 2030 on the Sustainable Development Goals (SDGs). It is formulated within the context of the East African Vision 2050 and the Africa Agenda 2063. It is also the first Plan in the implementation of Government's Strategy to grow the economy ten-fold by 2040, a strategy that aims to fast track the realization of socio-economic transformation, building on the firm foundation laid by the NRM government.

The NDPIV has been informed by; my strategic guidance regarding economic growth & development, wealth creation, employment and socio-economic transformation; Government's Strategy to grow the economy ten-fold in the next 15 years, starting with double digit in the NDPIV period; the NRM ten-point programme; the 4 Principles of the NRM ideology, that is: Patriotism; Pan-africanism, Socio-economic transformation and Democracy; the 13 Strategic Bottlenecks hindering Africa's development; evidence based research and lessons learnt from the implementation of past Plans; and the Uganda Vision 2040. The Plan also learns from Uganda's socio-economic and political history especially including; at the dawn of colonialism (1900); at the sunset of colonialism, dawn of independence and immediate post-independence (1961-1971); the distortions period and slow road to economic reform period (1972 – 1986); the Fundamental Economic Recovery Phase (1986-1996); Poverty Eradication Action Plan (PEAP) Phase (1997-2009), and; the Growth and Socio-Economic Transformation Phase (2010 - to date). This is augmented by the country's desire and ambition for socio-economic transformation in the current trend of technology, globalization and science.

The NDPIV builds on the successes of the National Resistance Movement. Indeed, there have been a number of achievements across an array of areas, including: economic growth; macroeconomic stability; poverty reduction; peace and security; improvement in health and education; improvements in infrastructure development and the energy generation, transmission and distribution chain; and improvement in ICT and natural resource management. Particularly, the economy expanded by 2.8-fold from UGX 65,002 billion in FY2010/11 to UGX 184,288 billion in FY2022/23. GDP per capita increased from USD 898 in FY 2010/11 to USD 1,088 in FY 2022/23. Domestic revenue collections increased from UGX 6,402 billion in FY 2010/11 to UGX 25,550 billion in FY 2022/23. In terms of infrastructural development, the total paved roads network increased from 3,112 km in FY2010/11 to 6,229 km (29. 6% of a total of 21,020 km) in FY 2022/23; Installed electricity generation capacity increased from 595 MW in 2010/11 to 1,346.7 MW in FY 2021/22. In terms of human capital development, there has been improvement in life expectancy from 50.4 in the FY 2010/11 to 63.3 years in the FY 2020/21 and improved access to basic and tertiary education. In terms of internet connectivity, the percentage of the population subscribed to the internet rose from 1.8 percent in 2010 to 53 percent in 2022 while the National Backbone infrastructure increased from 1,380 kms in 2010/11 to 4,300 kms in 2022/23. Ultimately, the share of subsistence has also reduced to currently 39 percent of the economy, especially with the implementation of the Parish Development Model (PDM), which is Government's last-mile delivery approach to improve citizen's livelihood and wellbeing.

The NDPIV aims at consolidating gains from the implementation of development interventions and improving development impact. The goal of the NDPIV therefore, is "higher household income and employment for socio-economic transformation". This will be achieved through the theme of "sustainable industrialization for inclusive growth, employment and wealth creation". The NDPIV goal will be achieved through five key development objectives. These are, to: (i) Sustainably increase production, productivity and value addition in agriculture, industry, minerals, oil & gas, tourism, ICT and financial services; (ii) Enhance human capital development along the entire life cycle; (iii) Support the private sector to drive growth and create jobs; (iv) Build and maintain strategic Sustainable infrastructure in transport, housing, energy, water, industry and ICT, and; (v) Strengthen good governance, security, and the role of the State in development.

In line with Government priorities and the desire to solve distortions in the factor of production markets, the NDPIV prioritization logic was developed and articulated throughout NDPIV programmes, mainly focused on value-addition, to help guide and focus Government development efforts during the NDPIV period. Accelerated economic growth and development will arise from increased factor productivity resulting from efficient utilization of the factors of production. The optimum choice for the production process will depend on addressing distortions that affect the cost, availability, efficiency, and effectiveness of each factor of production (i.e.; land, capital, labour, entrepreneurship, market, technology, and knowledge). These distortions mainly emanate from market failures, historical injustices, policy and regulatory gaps. Addressing these distortions in the factor markets therefore, will improve efficiency and resource utilization, thereby enhancing production capacity and enabling greater value addition needed, to achieve a double-digit growth in this planning and implementation period.

To deliver the NDPIV goal the Plan prioritizes: (i) Value addition in agriculture (including forestry & fisheries), tourism and minerals (including petrol-chemicals, oil & gas); (ii) The knowledge economy and STI interventions; (iii) Continuation of interventions focusing on production and productivity, using the Parish Development Model (PDM) and EMYOOGA as vehicles; (iv) Investment in high-speed rail and meter gauge railway; (v) Infrastructure to support value addition (energy generation, transmission, & distribution, STI parks, special export processing zones, industrial parks, and EACOP) and maintenance of existing infrastructure; (vi) Reducing the cost of credit (especially through UDB & UDC); (vii) Revenue generating interventions; (viii) Cost effective solutions to deliver and consolidate gains in social services (health and education); (ix)

Interventions prioritizing the Creative Industry; and the African Cup of Nations (AFCON) and (x) Investment in Greater Kampala Metropolitan Area (GKMA).

A number of implementation reforms will also be undertaken to ensure the implementation and impact of these development interventions. These include: (i) Ensuring value addition and an STI approach along selected value chains; (ii) Ensuring uniformity in costing goods and services, and developing a Government price list, based on the National Standard Indicators; (iii) Elimination of middlemen, by procuring directly from source or manufacturers, especially for strategic and bulk procurements; (iv) Improvement in the Implementation of NDPIV High Impact Growth Enhancing Projects; (v) Collaborative Implementation, Monitoring and Evaluation; (vi) Strengthening Performance Management and pay reforms in the Public Sector to support the private sector; and (vii) Development and enforcement of physical development planning; so as to reduce GDP losses that culminate from congestion, disorderliness and traffic jams.

The achievement of the goal of this Plan is a concerted and collaborative effort. I therefore urge and call upon all Ugandans and development stakeholders, ranging from Government, Private actors, Civil Society Organisations, Faith Based Institutions, Culture Based Organisations, Youths, Eldery, Women, Children and Development partners to contribute unreservedly towards the realization of the goals and targets of this Plan. With this, we are guaranteed to enjoy the fruits of this development towards socio-economic transformation. I pledge peace, security and good governance towards the realization of the goals, objectives and targets of this Plan.

I appreciate all development actors who contributed to the development of this Plan. These include: all Arms of Government; the different NDPIV Programme actors; Citizens; the Private Sector; the Academia; Civil Society Organisations; Non-Government Organisations; Faith Based Organisations; Cultural Based Organisations; and Development Partners, among others.

I particularly want to thank the Executive Board, Top Management and Staff of National Planning Authority (NPA) and the Ministry of Finance, Planning and Economic Development for leading this highly consultative and evidence-based process.

For God and My Country

Yoweri Kaguta Museveni Tibuhaburwa
PRESIDENT OF THE REPUBLIC OF UGANDA

EXECUTIVE SUMMARY

This National Development Plan (NDPIV) is the fourth in a series of six National Development Plans (NDPs) aimed at accelerating the socio-economic transformation of the country. The NDPIV (2025/26 - 2029/30) is the first of the three 5-year NDPs that will deliver the 10-fold economic growth that is required to bring back the country on the critical path to attainment of the Uganda Vision 2040 targets in the remaining 15 years.

To ensure substantial impact, the Plan lays out strategies to close implementation gaps and address distortions that impede effective utilization of the factors of production. Relatedly, given the narrowing fiscal space, innovative financing mechanisms will be harnessed to close the funding gaps as well as leveraging private sector involvement in the implementation of the Plan. The Plan builds on the progress made, challenges encountered and lessons learnt from previous three plans.

The key achievements that have been registered include:

i) Uganda is generally peaceful, except for the Karamoja region, which experienced sporadic incidences of cattle rustling. In addition, the macroeconomic environment has remained stable, underpinned by stable exchange rate, low and stable inflation averaging 5 percent;
ii) The size of Uganda's economy increased more than 3-fold in the last 14 years. Nominal GDP increased to UGX 202.1 trillion in FY2023/24 from UGX 64.8 trillion in FY2010/11, while GDP per capita increasing to USD 1,146 from USD 589 over the same period;
iii) The total formal exports have increased more than 2-fold to USD 4,919.0 million in the FY2022/23 from USD 1,879.4 million in the FY2010/11, representing 8.3% average annual growth in exports, with the EAC as the principal market;
iv) Domestic revenue has increased 4-fold to UGX 25,209 trillion in FY2022/23 from UGX 6,402 trillion FY2010/11. Nonetheless, domestic revenues as a proportion of the GDP remains low at 13.6%;
v) The stock of paved national road network increased to 6,133 km (29.2% of a total of 21,020 km) in FY2022/23 from 3,264 km in FY2010/11;
vi) Electricity generation capacity has increased to 1,871 MW in FY 2022/23 from 595.0 MW in 2010/11. As a result, the percentage of the population accessing electricity increased to 57% in FY2021/22 from 24% in FY2017/18;
vii) The percentage of the population subscribed to the internet rose to 53 percent in 2022 from 1.8 percent in 2010. In addition, the National Backbone Infrastructure (NBI) has increased to 4,229 kms in FY2022/23 from 1,380 kms in FY2010/11;
viii) Life expectancy increased to 67.7 years in the FY2022/23 from 50.4 in the FY2010/11. This has been partly driven by improvements in access to health services, infant and maternal mortality rates. The population living within a 5 km radius of a health facility increased to 91% in 2020/21 from 86% in 2016/17. Infant mortality has gone down to 36 per 1,000 live births in FY2022/23 from 54 in FY2006/07;

ix) The headcount poverty rate decreased to 20.3% in FY2019/20 from 24.5% in FY2010/11, while the subsistence economy decreased to 39% in the FY2022/23 from 69% in FY2010/11; and

x) Primary school net enrollment increased to 91% in FY 2019/20 from 82.3% in FY 2012/13. At secondary level, enrolment has increased to 2 million learners in FY2018/19 from 1.2 million (2010) translating into a gross enrolment rate of 36.8% in FY2019/20 from 33.8% in FY2012/13.

However, there are a number of outstanding challenges, including:

i) Except for gold, Uganda's exports are dominated by low value commodities of coffee, maize, fish & its products, and tea. There is limited diversification of export markets and inability to sustain existing and new markets with the required volumes and quality of products;

ii) The market failures and regulatory induced distortions in the factors of production have negatively impacted on productivity, growth, and transformation outcomes of the country. For instance, multiple land ownership and the speculative nature of the land market have continued to impede acquisition of right of way for key public projects; labour is trapped in low value agriculture and informal sectors, earning below its contribution to production; and the cost of capital is relatively high (averaging 19.1% in the last 5 years), partly due to application of a prime lending regime in a sub-prime market;

iii) Domestic revenue is still low, supporting only 52.6% of the national budget in FY2022/23. Consequently, the debt-to-GDP ratio has increased to 46.9% in FY 2022/23 from 34.6% in FY2017/18, raising concerns about debt sustainability;

iv) Only 22% of total budget was allocated to development expenditure in FY2024/25. This was mainly due to the high cost of public administration, manifested in rising wage bill, expenditure on a large parliament, and increase in number of administrative units that do not match revenue growth. If this trend continues, development expenditures will be crowded out by 2036, leading to an investment trap;

v) Uganda's brand as a key tourist destination has not been effectively and consistently communicated and signaled to the world. The GKMA as the face of the country remains unattractive and suffers from high congestion, long travel times, and pollution, all of which affect the marketability of the country;

vi) Transport infrastructure is largely biased towards roads (90%), poorly managed and maintained, which limits interoperability, increases the cost of transport, and limits access to areas with potential for tourism, minerals & oil, agriculture, among others; and

vii) The unsustainable use of natural resources has led to a reduction in the forest cover to 13.3% in 2022 from 24% in 1990 and national wetland cover to 13% in 2019 from 15.6% in 1994. Consequently, the country has suffered from increased frequency and intensity of extreme weather vagaries (floods, landslides, and drought) due to climate change.

A number of lessons have been learnt from implementation of the previous three plans and considered while developing the NDPIV, including:

i) A peaceful and secure environment attracts both domestic and foreign investment as investors seek stable locations where their assets and operations are secure. Similarly, macroeconomic stability, characterized by low inflation, and stable exchange rates provides a predictable environment for economic growth;
ii) Macro-level interventions need to be accompanied by planned micro-level household-based planning and interventions with deliberate mobilization of the households to engage in market-oriented production to achieve a fully monetized economy. Therefore, the Parish Development Model (PDM) should be amplified to ensure that macro-level policies are responsive to local needs;
iii) Good Plans in themselves without collaborative implementation, sustained follow up, and accountability for results do not guarantee the realization of the desired change;
iv) Prioritization and sequencing of development interventions are key for generating impact from the constrained resource envelope. By focusing on high-priority areas, the country avoids spreading resources thinly across too many projects, leading to more meaningful outcomes;
v) There is a need to perfect and refine the programme approach to planning, budgeting and implementation so as to enhance synergies, coordination, sequencing, linkage of resources to results;
vi) Availability of financing alone without readiness for implementation is not sufficient in the delivery of development plans; and
vii) Addressing distortions in the factors of production is necessary to improve efficiency and resource utilization, thereby enhancing production capacity and enabling greater value addition needed to achieve a double-digit growth.

Regional and Global Development Context

The Plan has also been designed with the regional and global development outlook. The key regional and global agenda informing the plan include; Africa Agenda 2063, Agenda 2030, EAC 2050 and other development frameworks. For example, the Africa Continental Free Trade Area (AfCFTA) which is likely to spur increased interest for foreign direct investment and open new markets for Ugandan products. The plan is cognisant of the challenges and threats posed by the regional and global trends including: a constrained global financial environment; elevated trade policy uncertainty; security threats and cross border conflicts; and increasing climate change and environmental challenges.

National Development Outlook

Over the Plan period, a double-digit growth of 10.13% by FY2029/30 is expected. This is expected to yield an annual average of 884,962 jobs. The GDP per capita is expected to reach USD 2,942, firmly entrenching the country's middle-income status. The economic growth and jobs strategy focus is: increasing productivity of all sectors; pursuing value addition in the agro-processing, tourism, mineral products, oil & gas and mainstreaming STI; redirecting industrialization to light manufacturing; and ensuring delivery of quality services. Particular focus for jobs will be on: expanding the industrial base, ensuring productivity gains across all sectors; diversifying economic activities to generate job opportunities; and expanding household investment opportunities through the PDM and other wealth creation funds. Urbanization and tourism development are expected to open up job opportunities in the real estate sector, financial services sector, and accommodation & food services.

Developments in the external sector are expected to contribute positively to growth on account of increase in exports of high value commodities. Core inflation is targeted within single digits, maintained between the band of 5 and 10 percent, ensuring that debt to GDP remains below 50% in present value terms, and gradually reducing fiscal deficit to 3% by FY2029/30.

The overall fiscal strategy of the plan is hinged on the need to sustain fiscal consolidation efforts through collection of more revenue, acquisition of low cost & low risk financing, achieving budget allocative efficiency, and improving the efficiency of public investment management. The revenue to GDP ratio is expected to grow by 0.5 percentage points annually rising to 18.3%, while the expenditure to GDP ratio will decline to 19.1% by FY 2029/30.

Strategic Direction

The goal of this Plan is "higher household incomes and employment for sustainable socio-economic transformation". The goal will be pursued under the overall theme of Sustainable Industrialization for Inclusive Growth, Employment, and Wealth Creation. The key objectives of the Plan are:

i) Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT, and financial services;
ii) Enhance human capital development along the entire life cycle;
iii) Support the private sector to drive growth and create jobs;
iv) Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry, and ICT; and
v) Strengthen good governance, security, and the role of the state in development

The Plan emphasizes value addition as a main strategy for accelerating growth, employment, and wealth creation to achieve higher household incomes, with agriculture, minerals, oil & gas, and tourism as the anchors. Deliberate efforts will be made to increase market access and support systems.

Development Strategies

For successful implementation of the Plan, the following key development strategies will be pursued: (i) increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT and financial services; (ii) promote sustainable use and management of natural resources; (iii) improve access, equity, and quality of education at all levels; (iv) improve access, equity and quality of healthcare at all levels; (v) enhance access to Water, Sanitation, and Hygiene (WASH); (vi) promote community mobilization and mindset change; (vii) expand social protection safety nets; (viii) institutionalize human resource planning and promote industry driven skilling and training; (ix) promote empowerment and livelihood programmes for special interest groups (x) promote decent employment opportunities; (xi) leverage the culture and creative economy for employment and domestic resource mobilization; (xii) promote games and sports; (xiii) promote nutrition for all; (xiv) reduce the cost of doing business; (xv) promote local content particularly for MSMEs; (xvi) increase competitiveness in regional and international markets; (xvii) strengthen public-private partnerships; (xviii) inculcate the entrepreneurship mindset; (xix) prioritize infrastructure maintenance; (xx) develop intermodal and seamless transport infrastructure; (xxi) increase access to clean, reliable, and affordable energy; (xxii) increase access to reliable and affordable ICT services; (xxiii) leverage urbanization for socio-economic transformation; (xxiv) strengthen the rule of law; (xxv) consolidate and sustain peace and security; (xxvi) increase government investment and participation in strategic areas; (xxvii) improve capacity and accountability for implementation of public programmes; (xxviii) leverage capacity of the non-state actors to implement the national plan; (xxix) increase civic participation in the development process, decision making, and democratic governance; (xxx) improve international relations and commercial diplomacy (xxxi) sustain a stable macroeconomic environment; and (xxxii) increase domestic resource mobilization while exploring innovative financing options.

Expected results

At the end of the five-year period, the following key results are expected to be achieved: improved learning outcomes and acquisition of skills relevant to the job market; improved quality of life; improved access to services for social care, protection, safety and equity; a conducive environment for private sector investment is created, firms are competitive and meet national, regional and international standards; empowered youth, women and other categories of the labour force; improved transport services, connectivity and cost effectiveness usability; increased access to clean, reliable, affordable and climate smart energies; increased land under irrigation; increased penetration and usage of ICT services; increased peace, stability, accountability and civic participation; and increased government effectiveness, access to public goods & services, and good image.

Programmes

The Plan has identified eighteen (18) programmes that have been designed to deliver the required results. These programmes incorporate the country's commitments to regional and international development frameworks and cross cutting issues. The corresponding human resource requirements for each programme have also been outlined.

The Agro-industrialisation Programme: aims to increase value addition to agricultural products. The key focus areas are: development and operationalization of value addition infrastructure; strengthening harvest and post-harvest handling; enhancing production and competitiveness of agricultural products for domestic, regional and international markets; strengthening specialized extension services; strengthening the adoption and integration of STI in agriculture; strengthening farmers field schools and cooperatives; de-risking agro-industry; eliminating counterfeits & low quality agro-inputs; and strengthening coordination, legal, and institutional framework for agro-industry.

The Sustainable Extractives Industry Development: aims to ensure sustainable exploitation, value addition, and commercialization of extractives for resource-based industrialization. The key focus areas are: increasing value addition, transportation & storage infrastructure; increasing the adoption of appropriate mining technologies & practices; formalizing the mining industry; enhancing human and local enterprise capacity to participate in and develop the extractives industry; and strengthening the policy, legal, institutional & regulatory framework.

The Tourism Development Programme: aims to position the country as a preferred tourist destination. The key focus areas are: increasing tourism-related research and uptake; development, improvement, and diversification of tourism products; improving tourism infrastructure (transport, trails, electricity, ICT, accommodation and MICE); reducing the tourism skills gaps; strengthening and harmonizing marketing & promotion of Uganda as a preferred destination; strengthening enforcement of tourism standards and regulations; and strengthening conservation and protection of natural resources.

The Natural Resources, Environment, Climate Change, Land and Water Management Programme: aims to ensure sustainable management and utilization of land, environment & natural resources and effective response to climate change and other disasters. The key focus areas are: strengthening land administration and management; restoration of wetlands & forest cover; reducing the country's vulnerability to climate change; reduction of air and water pollution levels; increasing research and application of STI; strengthening capacity to tap climate finance; value addition to forests & other natural resources; and strengthening institutional coordination, enforcement & implementation of policies & laws.

The Private Sector Development Programme: aims to increase survival and transition of private enterprises. The key focus areas are: reducing the cost of doing business; ensuring market access and competitiveness of goods and services; strengthening the capacity of local firms to tap into public investment opportunities; enhancing survival and growth of private enterprises; and strengthening the private sector organizational and institutional capacity.

The Manufacturing Programme: aims to increase secondary and tertiary value-added manufacturing. The key focus areas are: strengthening capacity of industry to advance to secondary and tertiary manufacturing; accelerating development and use of research innovations and adoption of appropriate technologies for secondary and tertiary value addition; strengthening collaboration between industry, academia, and research institutions; supporting market access and development for manufactured products; and strengthening the policy, legal & institutional framework for manufacturing.

The Integrated Transport Infrastructure and Services Programme: aims to have a seamless, safe, inclusive and sustainable multi-modal transport system. The key focus areas are: diversification of the transport infrastructure by fast-tracking railway and water transport investments; maintenance of existing transport infrastructure; investment in mass public transport especially in GKMA; cost effective ways of infrastructure development and maintenance; diversification of financing and revenue generation for infrastructure development; and strengthen policy, legal and regulatory framework.

The Sustainable Energy Development Programme: aims to increase access to reliable and consumption of clean and affordable energy. The key focus areas are: increase in primary energy consumption; increase in the proportion of population accessing electricity; reduction in the share of biomass energy used for cooking; increase in transmission capacity; and enhanced grid reliability.

The Digital Transformation Programme: aims to increase ICT penetration and usage of ICT services for efficiency gains and job creation. The key focus areas are: increasing connectivity across the country; enhancing support systems for digital innovations and entrepreneurship; reducing the cost of end-user devices and digital services; fostering digital skills & literacy; promoting cybersecurity and data protection; strengthening enforcement of policies, laws & regulatory frameworks and institutional coordination.

The Sustainable Urbanization and Housing Programme: aims to attain inclusive, productive and liveable urban areas for socio-economic transformation. The key focus areas are: enhancing implementation of the urban plans; developing and maintaining urban transport, lighting, and housing infrastructure; developing and improving supportive infrastructure and facilities for the creative industry; developing appropriate drainage and waste management system; providing business development services; promoting integrated land use planning and enforcing land use plans in urban areas; and strengthening the policy, legal, institution, and coordination frameworks.

The Human Capital Development Programme: aims to achieve a healthy, knowledgeable, skilled, ethical and productive population. The key focus areas are: strengthening the foundation for human capital; reducing knowledge and skills gaps; strengthening talent development and nurturing; developing and maintaining supportive infrastructure and facilities for the creative industry, sports, health, and education; increasing adoption of preventive health measures; reducing child labor, child marriages, and teenage pregnancies; improving food and nutrition security; increasing access and coverage of WASH; increasing coverage of social protection; reduce gender inequality and inequities; increasing participation in government programmes and wealth creation initiatives; institutionalizing and integrating human resource planning and development; reducing the cost of provision and access to health and education services, and ensuring decent and productive work environment for all.

The Innovation, Technology Development and Transfer Programme: aims to increase commercialization of STI products and services. The key focus areas are: developing requisite STI infrastructure; increasing the stock of specialized STI human capital; developing STI ecosystem; and strengthening regulatory environment.

The Public Sector Transformation Programme: aims to improve public sector response to the needs of the citizens and the private sector. The key focus areas are: strengthening accountability mechanisms; strengthening human resource management in the public sector; enhancing adoption and usage of e-government services; streamlining government structures and institutions for efficient and effective service delivery; and deepening decentralization and local economic development.

The Governance and Security Programme: aims to ensure a peaceful and secure Uganda, adhering to the rule of law. The key focus areas are: enhancing the capacity of the security forces to respond to the existing and evolving threats; enhancing patriotism, national value system and civic awareness; strengthening the fight against corruption; strengthening application & integration of digital solutions; leveraging the capacity of the security forces in production, value addition and infrastructure development; promoting compliance with the Bill of Rights; strengthening regional and international relations; and strengthening the policy, legal, institutional, & coordination capacity for security and governance.

The Administration of Justice Programme: aims to improved access to justice for all. The key focus areas are: reducing case backlog in the commercial and land court divisions; improving staffing & skilling; expanding and integrating automated system; increasing access to legal aid by vulnerable persons; strengthening the legal and regulatory framework; increasing public trust in the justice system; reducing congestion in detention centers; harmonizing formal & informal justice processes; and improving physical infrastructure.

The Legislation, Oversight and Representation Programme: aims to ensure efficient legislation, representation, and accountability for results. The key focus areas are: increasing effectiveness and efficiency in legislative processes; improving alignment of plans to the budgets; improving the quality of representation at all levels; and strengthening institutional capacity.

The Regional Development Programme: aims to improve delivery of decentralized services and achieve balanced regional development. The key focus areas are: enhancing the capacity of Local Governments to deliver decentralized services; supporting the LED; enhancing capacity to generate local revenue; enhancing refugee management; fostering affirmative action; and enhancing legal, institutional, coordination, and regulatory capacity for effective delivery of decentralized services.

The Development Plan Implementation Programme: aims to increase performance of the National Development Plan. The key focus areas are: enhancing development planning capacity; increasing domestic revenue generation; strengthening fiscal discipline, strengthening M&E systems to track progress; strengthening coordination of implementation; and strengthening statistical systems for development planning.

Costing and Financing of the Plan

The overall cost of financing the planned programme interventions over the 5-year period is estimated at around Shs593,646 billion, of which Shs413,206 billion (69.6%) is contribution by the Public while Shs180,439 billion (30.4%) is private sector contribution.

Implementation, Risk Management, Monitoring and Evaluation

Implementation reforms have been identified for each programme to ensure the delivery of the desired results. The coordination role of the Office of the Prime Minister is to be strengthened to ensure that all MDAs focus on delivery of common programme results, the 'silo' working modality is reduced and synergies are enhanced.

In order to ensure operationalization of the Plan, the Programme Implementation Action Plan (PIAPS) as well as the different Ministries', Departments', Agencies' and Local Government Strategic and Development plans will be aligned to the NDPIV. Implementation of these plans will also be linked to the Programme Based Budgeting System (PBBS). In addition, development partners will align their frameworks to meet the aspirations of the Plan.

The Plan acknowledges the need for risk informed development as a process and not an event. This is because there is a continuous interaction across local, regional and global risks including; terrorism, epidemics, cybercrime, natural hazards and disasters, climate change, organized economic crimes and sabotage, among others. The plan has therefore identified, analysed various potential (endogenous and exogenous) risks and prescribed possible mitigation, continuous monitoring and management measures during the plan period.

Monitoring and evaluation of the plan will be strengthened through the introduction of systemic and institutional reforms for improved effectiveness. Some of these include: rolling out and operationalizing an integrated Web-based NDP performance monitoring system that interfaces with the Programme Budgeting System and IFMIS; as well as operationalization of a High-Level Public Policy Management Executive Forum (Apex Platform) to strengthen effective public policy management and promotion of good governance practices.

PART I: BACKGROUND AND DEVELOPMENT CONTEXT

CHAPTER 1: BACKGROUND

1.1 Introduction

1. **This National Development Plan (2025/26-2029/30) is the fourth in a series of six National Development Plans (NDPs) aimed at accelerating the socio-economic transformation of Uganda.** Despite laying the minimum foundations for development in terms infrastructure, security, human capital and others, the country's progress has been slow. The average growth rate for the last decade has been 4.8 percent against the Uganda Vision 2040 target of 8.5 percent. At this rate, the Vision targets of reaching upper middle income-status with GDP of USD 581 billion and per capita income of USD 9,500 will not be realized. A 10-fold increase in the size of the economy is required to bring back the economy on the critical path to attainment of the Uganda Vision 2040 targets in the remaining 15 years of the Vision. The Fourth Nation Development Plan (NDPIV) is therefore the first of the three 5-year NDPs that will deliver the 10-fold growth strategy which is expected to be achieved by doubling the size of the economy every after five years.

2. **The Plan lays out the approaches, strategies, and implementation reforms necessary to achieve the double-digit growth.** The goal of the Plan is to achieve higher household incomes and employment for sustainable socio-economic transformation. This is to be achieved through accelerated, sustainable value addition and industrialization in key growth areas including agriculture; tourism; minerals, oil & gas; science, technology & innovation (STI); information, communication & technology (ICT); key services such as financial, education, health, transport, and energy; as well as the knowledge economy.

3. **The focus on sustainable industrialization is premised on the desire to exploit the primary growth anchors of Uganda's economy to catapult the 10-fold growth.** Sustainable industrialization and value addition will boost productivity and accelerate inclusive economic growth, employment, and wealth creation. Industrialization and value addition serve as foundations for the development of other sectors such as urbanization, infrastructure, and social services in education and health, as well as agriculture, science, and technology. Additionally, value addition and industrialization are expected to generate multiplier effects, creating beneficial linkages and opportunities across various sectors. The industrial sector relies on input bases and markets such as agriculture and minerals to flourish. The sector also depends on educated, skilled, and healthy individuals who provide labor and constitute markets for the finished products.

4. **To ensure substantial impact, the Plan lays out strategies to close implementation gaps and address distortions that impede effective utilization of factors of production.** To improve performance management of the public service and accountability for results, the

Plan lays out a strong institutional mechanism for follow-up and reforms. It lays out strategies to address market failures, and policy and regulatory induced distortions in factor markets. Relatedly, given the narrowing fiscal space, innovative financing mechanisms will be harnessed to close the funding gaps. Further, the private sector involvement in the implementation of the Plan will be leveraged.

1.2 Achievements, challenges and lessons learnt from the past NDPs

5. The NDPIV aims to build on the development gains of past NDPs. The Plan is informed by the lessons learnt during the previous Plans and seeks to address the existing challenges so as to accelerate socio-economic transformation. The discussion below highlights the past achievements, challenges and lessons learnt.

1.2.1 Achievements

6. **Throughout** the execution of the previous NDPs, a strong foundation has been laid for faster growth and socio-economic transformation. The necessary foundation has been laid in infrastructure, security, and human capital. These are detailed as follows;

   i) **Peace, security and macro-economic stability prevail.** Uganda is generally peaceful, except for Karamoja region where sporadic incidences of cattle rustling have been registered. This has mainly been achieved through military cooperation with neighboring countries. In addition, strategic global and regional military partnerships have enabled Uganda to build its military capacity and advance its key national development agenda. Besides peace and security, Uganda's economy has been characterized by a stable macroeconomic environment underpinned by stable exchange rate, low and stable inflation averaging 5 percent. To achieve the ten-fold growth, peace, security and macroeconomic stability should be sustained.

   ii) **The size of Uganda's economy increased more than 3-fold in the last 14 years.** Nominal GDP increased to UGX 202.1 trillion in FY2023/24 from UGX 64.8 trillion in FY2010/11, while GDP per capita increased to USD 1,146 from USD 589 over the same period. The growth has been driven by: (i) industry, which grew at an average of 5.5% mostly from mining and quarrying, electricity, and construction; (ii) services, which grew at an average of 5.3% mostly from ICT, creative industry, and public administration; and (iii) agriculture (3.5%) mostly from food crops and livestock. However, the average growth of the three sectors was below the target of 6-7% partly due to the effects of COVID-19. To achieve the Uganda Vision 2040 targets, the size of the economy has to be doubled every five years.

   iii) **Export receipts increased more than 2-fold in the last 13 years (FY2010/11-2022/23) with the EAC as the principal market.** The total formal exports increased from USD

1,879.4 million in the FY2010/11 to USD 4,919.0 million in the FY2022/23, representing 8.3% average annual growth in exports. However, the trade deficit has continued to worsen partly because exports are dominated by low value primary products such as coffee, maize, and fish. There is a need to add value and diversify exports to tap into high-end markets, reduce trade deficits, create jobs, and grow the economy.

iv) **Domestic revenue increased 4-fold over the las 13 years (FY2010/11-2022/23).** The revenue increased to Shs. 25,209 billion from Shs. 6,402 billion over this period. This is largely attributed to improvement in tax administration, enforcement of tax compliance, and expansion of the tax register. Nonetheless, domestic revenues as a proportion of the GDP remains low, averaging at 13.6% between FY2020/21 and 2023/24. These revenue collections are still below the 18% of GDP threshold of the domestic revenue mobilization strategy (DRMS, 2019). Revenue collections need to significantly increase to finance the desired 10-fold growth. To this end, there is a need to continue expediting the implementation of the Domestic Revenue Mobilization Strategy during the NDPIV implementation.

v) **Investment in road transport infrastructure has significantly improved connectivity providing potential for better movement of people, trade, and tourism.** The stock of paved national road network increased to 6,133 km (29.2% of a total of 21,020 km) in FY2022/23 from 3,264 km in FY2010/11. However, there is a significant maintenance backlog which is leading to rapid deterioration in the state of the road infrastructure. Moreover, transport infrastructure has been biased towards roads which has perpetuated the high cost of doing of doing business. There is need to prioritize road maintenance and diversify the transport modes for interoperability.

vi) **At the current suppressed demand level, adequate electricity generation capacity has been built, tripling in the last 13 years.** It increased to 1,871 MW in FY 2022/23 from 595.0 MW in 2010/11. As a result, the percentage of the population accessing electricity increased to 57% in FY2021/22 from 24% in FY2017/18 above the planned target of 35%. To address the suppressed demand, there is need to reliably transmit this electricity to potential consumers. Further, the current installed capacity will be insufficient to drive the 10-fold growth strategy. In addition, the current electricity generation capacity is biased towards hydro. There is need to diversify and ensure reliable supply of energy to boost industrialization.

vii) **Significant reduction in malaria outbreaks has been recorded over the last 12 years.** In-patient malaria deaths reduced from 36 per 100,000 in 2010/11 to 4.9 per 100, 0000 in FY 2021/22. This has mainly been due to expansion of primary healthcare and the increased investment in preventive measures. The percentage of households that owned at least one insecticide treated net increased from 60% in 2011 to 100% in 2022. Similarly, full household insecticide treated net coverage has increased from 28% to 99% in the same period. To sustain these gains there is need to prioritize investments in prevention and functionality of primary healthcare facilities.

viii) **The total fertility rate has reduced from 6.2 children per woman in the FY2010/11 to 5.2 children per woman in the FY2022/23,** implying a decline of 1 child in the fertility of women over the same period. However, there is a location dimension on the changes in fertility rates. Whereas the total fertility rate among rural women has declined from 6.8 children in 2010/11 to 5.6 children in 2022/23, the fertility rate among urban women has instead increased from 3.8 children to 4.3 children over the same period. Despite the slight reduction, the current fertility rate of 5.2 children per woman is still too high to obtain the envisaged demographic dividend. This slow decline has been mainly driven by not only a high rate of teenage pregnancy (at 24%) but also high preference for large families among Ugandan societies. This calls for increased efforts towards equitable access to sexual reproductive health services.

ix) **On average Ugandans are now living longer.** Life expectancy increased to 67.7 years in the FY2022/23 from 50.4 in the FY2010/11. This has been partly driven by improvements in access to health services, infant and maternal mortality rates. There has been an increase in the population living within a 5 km radius of a health facility increased to 91% in 2020/21from 86% in 2016/17. In addition, between the FY2006/07 and FY2022/23, infant mortality per 1,000 live births has gone down from 54 to 36, This decline has been largely driven by a decline in post-neonatal mortality. However, the neonatal mortality has remained constant for 10 years (2006-2016) at 27 before declining to 22 deaths per 1000 live births in 2022. There has also been an increasing trend in the prevalence of non-communicable diseases such as cancer, diabetes and cardiovascular diseases. The country needs to focus on improving health infrastructure and systems more so those related to childbirth to further reduce the neonatal mortality rate. This calls for accelerated investment in preventive, palliative and specialized healthcare.

x) **Strides have been made in lifting people out of poverty, however vulnerability remains high.** The headcount poverty rate decreased to 20.3% in FY2019/20 from 24.5% in FY2010/11, while the subsistence economy decreased to 39% in the FY2022/23 from 69% in FY2010/11. Although there has been an increase in poverty in northern and western regions, several sub-regions have seen a reduction in the poverty rate including the Elgon, West Nile and Bunyoro sub-regions which have experienced the most significant decrease in the poverty rate. Improvement in public services such as new roads, electricity, schools, and improved healthcare have also contributed to the decline in poverty. On the contrary, the northern part of the country has experienced an increase in poverty with the major drivers being drought, land fragmentation, poor land tenure system and poor agronomical practices. Therefore, interventions directed towards increasing household incomes are critical to sustainably lift people out of poverty and vulnerability.

xi) **Access to education at all levels increased over time.** Primary school net enrollment increased to 91% in FY 2019/20 from 82.3% in FY 2012/13. By 2019/20, 81% of parishes had government aided schools. At secondary level, enrolment has increased to 2 million learners in FY2018/19 from 1.2 million (2010) translating into a gross enrolment rate of 36.8% in FY2019/20 from 33.8% in FY2012/13 due to the introduction of USE and the secondary school per subcounty policy. However, this enrolment represents only 32% of students eligible to enroll into secondary. At primary level, the dropout rate is still high, with only 40% of the learners who enroll in P.1 completing P.7. In addition, 20% (approx. 2,500,000) of primary school age going children are still left out of school. Whereas gender parity has been achieved at primary level, it has not yet been achieved in secondary with girls making up 44% of the total enrolment. Less than 50% of all learners in primary and secondary fail to reach the expected proficiency levels in the gateway subjects (literacy and numeracy) and science subjects, respectively. This can potentially frustrate the government's strategy for promoting a science-led economy. There is a need to minimize wastage (repetitions, dropouts, resource allocation etc.) in both primary and secondary education levels and improve the quality of learning outcomes. At tertiary level, whereas enrolment has increased to 257,598 students in FY2021/22 from 183,985 students in FY2010/11, skills mismatches continue to prevail. In addition, science uptake remains low at higher education institutions with the current ratio of humanities to science courses being 2:5 against a target of 3:5. There is a need to improve alignment of the tertiary admission and training to the National Human Resource Development agenda.

xii) **The Government's restoration and tree planting policy is yielding results.** The forest cover as percentage of the total land area increased to 13.3% in FY2021/22 from 10.7% in FY2010/11. The policy has enabled leasing of degraded national forest reserves and promoted commercial forestry on private land. Nonetheless, there is need to invest in sustainable forestry resources value addition and adapt policies that support commercial forestry. This will help to sustainably conserve the environment and make business case for forestry.

xiii) **Internet penetration and usage has increased.** The percentage of the population subscribed to the internet rose to 53 percent in 2022 from 1.8 percent in 2010. In addition, the National Backbone Infrastructure (NBI) has increased to 4,229 kms in FY2022/23 from 1,380 kms in FY2010/11. Despite these improvements, internet costs are relatively high in Uganda. There is need to reduce the cost of internet and increase last mile connectivity during the implementation of the NDPIV.

1.2.2 Challenges

7. Despite the achievements registered, there are challenges that need to be addressed.

i) **Despite the existence of abundant resources (land, minerals, tourist attractions), there is limited value addition.** Except for gold, Uganda's leading exports in FY2022/23 were in low value commodities of coffee, maize, fish & its products, and tea. Regarding coffee, 5.76 million 60kg bags were exported fetching USD845.4 million at a mere USD2.45 per kg compared to a global average of about USD5 per kg. A total of 423 million kgs of maize were exported fetching USD182.2 million at a mere USD40 cents per kg. Adding value to maize will result in high value products such as maize floor, starch, ethanol, animal feeds etc. Also, Uganda exports low value-added cobalt, iron & steel, and base metals. Further, the tourism potential is still untapped due to low value addition. Adding value to the primary products will create additional jobs, revenue, and lead to the realization of the double-digit growth.

ii) **The factors of production are characterized by distortions that negatively impact on productivity, growth, and transformation outcomes.** Land is constrained by ownership challenges due to historical injustices that have created land conflicts & unlawful evictions. In addition, land market is highly speculative leading to mispricing. These are compounded by inadequate land use planning, and weak enforcement of land use plans, leading to ineffective land use and acquisition of right of way for key public projects. Labor productivity is low, with the majority of the working population trapped in low value agriculture and informal sectors. Even where it has increased, the earnings are still below its contribution to production. Overall, these distortions are not only a result of market failures but also policy and regulatory induced.

iii) **In particular, the cost of capital is relatively high and capital is short term in nature**. The high cost of capital, partly attributed to: speculative tendencies; oligopolistic nature of the banking sector; the high risk for many borrowers; government domestic borrowing that crowds out private sector credit; under capitalization of public banks, uncleared commercial cases; the low level of savings; high cost of operations by commercial banks; and application of a prime lending regime in a sub-prime market, increases the cost of production. Uganda’s financial market is largely dominated by short-term capital that cannot finance long term investments due to underdeveloped finance institutions. Interest rates on loans continue to be high and have consequently made doing business in Uganda expensive for the private sector. Interest rates averaged 19.1% in the last 5 years.

iv) **Investment in and use of Science, Technology, and Innovation (STI) is still low to generate the required momentum for value addition, industrialization and socio-economic transformation.** The inadequate STI infrastructure stifles research and development, resulting in slow technological advancements limiting productivity and competitiveness of priority growth areas. There is shortage of high-level R&D personnel and the ratio of STEM to Humanities graduate has stagnated at 2:5. There is also a significant mismatch between the skills developed at formal institutions and the needs of the STI sector. Further, the pass rate of science subjects at O-level is less than 50%, leading to low enrolment in related discipline at higher levels. Relatedly, deficiencies in equipment and capacity limit access to STI resources across the country. Further, the inadequacies in STI investment impede adoption of cost-effective solutions in delivery of social services. Insufficient investment in STI has contributed to brain drain of skilled professionals to regions where investment in innovation and technology is more robust. Environmental sustainability efforts are also compromised due to the lack of innovative solutions to manage natural resources and mitigate climate change impacts. Several innovations stagnate at prototype stage without reaching full scale commercialization. The level of appreciation of the STI ecosystem is low with inadequate coordination among academia, industry, and Government. Further, weak management and enforcement of Intellectual Property Rights (IPR) constrain technology transfer, development, commercialization, and access to external markets. Investors in STI are deterred by perceived risks and uncertain returns associated with innovative products, making it difficult for them to access necessary capital. Relatedly, the high cost of research, development, and commercialization poses significant barriers.

v) **There is limited diversification of export markets and inability to sustain existing and new markets with the required volumes and quality of products.** Uganda's export market is dominated by the EAC region (EAC 47.9%, Middle East 15.8%, EU 14.4%, Asia 13.7%, Rest of Africa 4.6%, Other Europe 1.4%). Uganda has failed to exploit the largest potential at the continental level (AfCFTA) in sugar products, palm oil, meat, pharmaceuticals, milk and fish. In addition, Uganda's utilization of some negotiated preferential markets is still limited both in volumes and quality. Some of the outstanding bottlenecks to exploitation of the available markets include low production and value addition to the required products, the failure to meet standards, non-tariff barriers (NTBs), technical barriers to trade (TBTs), among others.

vi) **Domestic revenue generation is inadequate to finance the implementation of development plans.** Domestic revenue is still low, supporting only 52.6% of the national budget in FY2022/23. Consequently, the debt-to-GDP ratio has increased to 46.9% in FY 2022/23 from 34.6% in FY2017/18, raising concerns about debt sustainability, especially with rising repayment obligations that limit fiscal space for critical development priorities. Efforts to increase domestic revenue, such as the Domestic Revenue Mobilization Strategy have been undertaken, however, slow implementation has hindered their impact. Additionally, innovative financing sources such as climate financing, Islamic financing, and diaspora bonds have not been fully exploited. The low tax revenue continues to put pressure on deficit financing which has worsened Uganda's debt position.

vii) **Weak, uncompetitive and largely informal private sector.** Uganda's private sector is largely dominated by informal micro, small, and medium enterprises (MSMEs), 95% of which collapse within the first year. Those that survive remain small-scale and informal. The MSMEs account for 90% of the private sector, contribute 80% of manufactured output, 75% of GDP, and 90% of non-farm employment. These MSMEs are uncompetitive due to lack of access to and high cost of credit, limited access to appropriate technology, high cost and unreliability of electricity, high cost of logistics and regulatory compliance, limited access to markets, and a weak framework for business incubation. In addition, the accumulation of domestic arrears (Shs. 2.9 trillion) and the inefficiencies within the judiciary in clearing commercial cases (Shs. 7 trillion locked up in courts) has undermined the growth some enterprises.

viii) **High cost of public sector management and weak coordination & administration undermines effective implementation of development interventions.** Public sector management and administration in Uganda is affected by weak enforcement of policy, legal and regulatory frameworks; weak institutional structures and systems; bloated public administration; weak civil society and civic participation; inadequate data and information; inadequate standards and weak infrastructure. This is worsened by the recentralization of some of the functions of local governments, slow implementation of public projects characterized by lengthy and cumbersome procurement cycles, and ineffective follow-up and accountability. In addition, rampant corruption has affected service delivery and resulted in annual financial losses to a tune of Shs. 9.1 trillion.[1] To strengthen the public sector, there is a need to fast-track the rationalization of the entire government & expenditure and better coordinate anti-corruption efforts.

ix) **In particular, the high cost of public administration is crowding out the development expenditure needed to drive the economy to its desired level**. The baseline expenditure in FY2024/25 reveals that only 22% of total budget is allocated to development expenditure, far below the international best practice of 60% needed for rapid socio-economic transformation. The major driver of these commitments is the high cost of public administration, manifested in rising wage bill, running a large parliament, increase in number of administrative units that do not match revenue growth, and impromptu changes in policy commitments. If this trend continues, development expenditures will be crowded out by 2036, leading to an investment trap.

x) **Efforts have been made to strengthen Uganda's brand in key destination markets, however, marketing and promotion efforts are limited, ad hoc, and disjointed.** The positive developments and opportunities that Uganda has in stock have not been effectively & consistently communicated and signaled to the world. In addition, the brand of Uganda has been inadequately developed. The GKMA as the face of the country remains unattractive and suffers from high congestion, long travel times, pollution, and petty crimes, all of which affect the marketability of the country. Irresponsible reporting by some sections of the media and social media activists provides the wrong signals that paint a negative picture about Uganda to the world. There is a need to improve the image of the country by among others popularizing the "*Pearl of Africa"* brand, leveraging the

[1] IGG Report 2019

image of the GKMA, promoting patriotism, and increasing connectivity to the rest of the country.

xi) **Uganda's human capital is inadequately developed and utilized to achieve national goals.** Uganda's human capital index is low (0.38) implying that children born today are likely to reach only 38% of their full productive potential. Vocational education curriculum is deemed not dynamic enough to respond to the needs of the labour market. The higher education curriculum does not sufficiently incorporate practical work-based training as a form of preparation for the world of work and as a result, employers spend significant amounts of work time and resources re-orienting, re-tooling and training new entrants into the job market. For the adequately skilled labour force, the economy has not created enough jobs to absorbs them. Therefore, there is need to align training with the needs of the world of work and mainstream employment across programmes.

xii) **Uganda has made strides in planning for its human resources, however, this is still in its infancy stages.** The first National Human Resource Development Plan (2020/21-2024/25) was developed to facilitate the identification and bridging of skills gaps in the country, especially in emerging industries such as oil and gas. Although its implementation has been slow, being the first of its kind, several tertiary institutions have started aligning their academic training programs to the Plan. For example, Makerere university over the past there years has tremendously increased enrolment is Science, Technology, Engineering and Mathematics (STEM) disciplines while Kyambogo University has phased out 27 diploma programs to streamline with national priorities. Makerere University has phased out several programs and has also developed new ones to align with current national human resource planning agenda. However, there is continued disparity between the skills acquired through education and training and the actual demands of the labour market leading to high graduate unemployment, underemployment, and inadequate supply of qualified professionals in critical fields. Besides, the persistent limited access to quality education at all levels necessitates continuous educational reforms to ensure that the country's workforce remains competitive domestically, regionally and internationally.

xiii) Fiscal indiscipline undermines effective planning, budgeting, implementation, and realization of results. Budget credibility has been undermined by frequent supplementary requests which have increased from 6.7% of the budget in FY2017/18 to 9.7% in FY2021/22, which is way above the required threshold of 3%. The supplementary requirements create a need for additional funding which has worsened the debt problem. The debt to GDP ratio has subsequently increased from 41% in FY2019/20 to 47.9% in 2023/24, this has increased debt servicing to revenue to 40.3% in FY2024/25 from 27.7% in FY2021/22. This limits the available fiscal space to finance development since a lot of revenue is instead spent on debt servicing. In addition, the stock of domestic arrears, estimated at Shs. 2.9 trillion in FY2021/22 is still high.

xiv) **There has been slow implementation of core projects, hindering the realization of the planned results.** By FY2022/23, only 7 (10%) out of the 69 core projects were on schedule while 25 (3%) were behind schedule. The poor implementation of core projects is due to: delayed disbursement of funds for externally financed projects; change of project scope from approved plans without approval from the Development Committee (DC); weakness in project management skills; delayed acquisition right of way for infrastructure projects; contracting incompetent companies coupled with weak contract management and supervision; over commitment of the budget demonstrated by the multi-year commitments statement; and commencing projects without feasibility studies. These challenges have led to low contribution of borrowed resources to growth and development, cost and time overruns, constrained fiscal space, increase in commitment fees, and crowding of public service delivery. There is need to conduct capacity building for project development & management; institute performance-based contracts; and establish project implementation units in government ministries.

xv) **Transport infrastructure is largely biased towards roads (90%), poorly managed and maintained.** The inadequate investment in other modes of transport has limited interoperability, increased the cost of transport, and limited access to areas with potential for tourism, minerals, oil or agriculture among others. The poor maintenance and management have led to high rates of depreciation of the existing infrastructure and high cost of doing business. Furthermore, the existing infrastructure has been abused (exceeding axle loads) and vandalized. The lack of diversity the transport modes limits the interoperability within the transport system, increased cost of transport, reduced safety of passengers and cargo, increases maintenance costs, and makes enforcement of the relevant infrastructure laws and regulations expensive.

xvi) **Industrial parks and free zones are inadequately developed to drive the value addition and industrialization agenda.** By FY2020/21, only 6 out of the 26 proposed industrial parks were operational but below international standards. Free zones in different parts of the country aimed at promoting exports are not fully developed either. This is due to uncoordinated development of industrial parks and free zones. There is therefore a need to ensure coordinated development of industrial parks and free zones.

xvii) **High vulnerability to climate change and unsustainable use of natural resources pauses a threat to sustainable development.** The country has suffered from increased frequency and intensity of extreme weather vagaries (floods, landslides, and drought) due to climate change. The unsustainable use of natural resources, including deforestation and land-use changes, has led to a reduction in the forest cover from 24% in 1990 to 13.3% in 2022. The national wetland cover reduced from 15% to 13% in 2019. Failure to mitigate climatic change and unsustainable use of natural resources will affect productivity in priority growth areas, food security, and safety of people & their property.

xviii) **Limited collaboration and weak follow-up on implementation have hindered realization of development results.** Coordination and follow-up of the implementation of the NDPs has been a persistent challenge. Follow-up (M&E) reports are usually prepared at the end of the implementation when inefficiencies have already occurred and do not inform corrective action. The institutional framework reforms that were expected to improve implementation of the NDPs were not fully executed. Further, the Office of the Prime Minister (OPM) is so stretched to undertake its monitoring role due to engagement in implementation. Also, there is weak collaboration among development actors. This limits the coordination and achievement of anticipated development results. The silo approach towards service delivery has persisted thereby limiting the intended purpose of the programme approach to national development planning.

xix) **Regional imbalances have remained despite the various affirmative programmes and projects implemented by the Government.** The regional disparities are due to high income poverty levels; limited and underdeveloped regional value chains; inadequate economic and social infrastructure and services; and weak public sector management in some local governments. Headcount poverty has reduced to 20.3% in FY2019/20 from 21.4 in FY2016/17. Poverty eradication efforts have yielded mixed results across regions. Poverty levels in Bugisu, West Nile, Busoga, Bukedi, and Teso have reduced while Kigezi, Lango, Acholi, and Karamoja have registered increases in poverty. Even in some areas where poverty reduced such as Busoga, Bukedi, and Teso, it remains above the national average. Vulnerability is high in all regions evidenced by the inconsistent patterns in the poverty rates. Regions such as Lango, Acholi, and Karamoja experienced a decline in poverty rates in 2016/17, but it increased in the FY2019/20.

1.2.3 Lessons Learnt

8. Based on the review of the country's performance during the past thirteen years of implementing the NDPs, several lessons have been learnt and considered while developing NDPIV. These include:

   i) **Peace, security, and macroeconomic stability are prerequisites for effective implementation of the plans.** A peaceful and secure environment attracts both domestic and foreign investment, investors seek stable locations where their assets and operations are secure. Macroeconomic stability, characterized by low inflation, and stable exchange rates provides a predictable environment for economic growth. It helps to attract foreign direct investment which is crucial for funding development. In addition, a stable macroeconomic environment allows businesses to effectively plan and invest in long-term projects;

ii) **Macro-level interventions need to be accompanied by planned micro-level household-based planning and interventions with deliberate mobilization of the households to engage in market-oriented production to achieve a fully monetized economy**. While macro-level interventions create the broader framework for economic growth and development, they must be complemented by planned micro-level, household-based interventions. Through the improved implementation of the Parish Development Model (PDM), this approach should be amplified to ensure that macro-level policies are responsive to local needs, support inclusive growth, and promote sustainability by empowering households to engage in market-oriented production;

iii) **Good Plans in themselves without collaborative implementation, sustained follow up, and accountability for results do not guarantee the realization of the desired change.** While well-crafted development plans are a crucial starting point, they must be accompanied by collaborative implementation, sustained follow-up, and accountability for results to ensure successful outcomes. These elements create a supportive framework that encourages ongoing engagement, adaptation, and transparency, which ultimately increase the likelihood to achieve the planned outcomes;

iv) **Prioritization and sequencing of development interventions are key for generating impact from the constrained resource envelope.** These ensure that the most critical needs are addressed first, thus generating the greatest impact from the constrained resources. This avoids spreading resources thinly across too many projects, leading to more meaningful outcomes. By focusing on high-priority areas, planners will achieve better results with fewer resources, optimizing the cost-effectiveness of development interventions;

v) **Without political will and commitment, implementation of key development reforms is untenable.** Political commitment helps secure the necessary resources including financial, human, and institutional, which are required to implement reforms. Political leaders who prioritize development can influence budget allocations and attract external funding to support key projects. In addition, political will is essential for enacting the laws and regulations needed for implementing development reforms. Committed political leaders can drive legislative changes and policy frameworks that support and sustain reform efforts during development planning and implementation;

vi) **Building domestic resilience is critical for insulating the economy from shocks.** For example, the economy has weathered many shocks including global fuel price shocks, weather vagaries, geopolitical tensions, and COVID-19. This is mainly attributed to prudent macroeconomic management, food security, and political stability;

vii) **Availability of financing alone without readiness for implementation is not sufficient in the delivery of development plans.** While financing is an essential component of development planning, it is not sufficient on its own. Readiness for project implementation involves a combination of capacity, strategic planning, strong institutional frameworks, stakeholder engagement, operational systems, leadership, and monitoring and evaluation. Without these, even well-funded development plans can struggle to achieve their intended outcomes.

viii) **The programme approach is the most feasible way to solving implementation challenges to ensure effective delivery of results.** This approach enhances synergies, coordination, sequencing, linkage of resources to results, and improves governance. Therefore, there is a need to perfect and refine the programme approach during NDPIV. In particular, allocating resources at programme level and promoting change management will enhance the effectiveness in implementing the programme approach better.

1.3 How NDPIV is different from NDPIII

9. **Consolidation of development gains.** Consolidation of development gains will include maintenance of the development base in terms of peace, security and macro-economic stability.

10. **The Plan is more focused on a few high-level priorities with great potential to drive socio-economic transformation.** Cognizant of the resource constraint, only key flagship projects and investments with the potential to propel the economy to a double-digit growth, coupled with generation of new jobs and incomes for the majority of Ugandans. These include: value addition in agriculture, tourism, minerals, and oil & gas; STI; railway; GKMA; AFCON; PDM; and infrastructure maintenance. These are expected to anchor the growth and act as catalyst of other sectors, leading to double-digit growth and the qualitative leap towards the much-desired socio-economic transformation.

11. **Consolidating the programme approach to ensure effective delivery of results.** The programme approach to planning and budgeting was introduced during the NDPIII, however, its implementation has been slow. This Plan will strengthen the programme approach to completely eliminate the silo approach to service delivery so as to maximize the impact of development programmes. The formulation of PIAPs has been decentralized to strengthen ownership and development of programme strategies, objectives, priorities, results and budgets. Further, a change management strategy for the programme approach is going to be fully rolled out as well as strengthening inter and intra programme coordination and follow-up.

12. **More focus on implementation, follow-up, monitoring and evaluation**. Achievement of desired results in previous plans has been largely undermined by implementation gaps and weak follow-up & monitoring. The implementation gaps are largely explained by limited coordination among implementing agencies and lack of readiness of priority projects. In this

Plan, measures have been put in place to improve and galvanize collaborative follow-up for better performance and results. Furthermore, measures will be taken to improve the quality and readiness of high-impact projects in the Public Investment Plan (PIP) by enhancing the governance of project selection, enforcing competitive processes for contractors, and minimizing costs associated with lengthy and cumbersome procurement processes.

13. **The Plan is more fiscally realistic.** Unlike in the NDPIII, during the development of the NDPIV, Indicative Planning Figures (IPF) were introduced to ensure that all the proposed interventions are fiscally feasible. The Plan also emphasizes the need to explore innovative financing options to reduce reliance on the already stretched traditional sources. In addition, the Plan emphasizes revenue generation activities across all programmes to ensure increased revenue during the implementation period.

14. **Leveraging STI to provide new sources of growth.** During NDPIV, STI will be integrated into all other sectors of the economy. This is expected to increase productivity and competitiveness in these sectors, driving growth and employment.

15. **Increase efficiency of public service delivery.** Performance management through development and enforcement of service and service delivery standards will be enhanced. In addition, pay reforms will be implemented in the public service to enhance talent management and retention. Efficiency gains resulting from rationalization of entities, adoption of e-governance services is expected to free up additional resources for investments in priority growth areas.

1.4 Approach and formulation process of the NDPIV

16. In line with the comprehensive National Development Planning Framework, the fourth National Development Plan (2025/26 to 2029/30) has been developed through a highly participatory and consultative process. All key stakeholders in the public and private sector, as well as non-state actors have been consulted at various stages of production of the Plan.

17. The NDPIV production process has entailed various stages including: (i) production of the Strategic Direction for NDPIV; (ii) production of Programme Development Plans/Programme Implementation Action Plans (PIAPs) aligned to the NDP IV strategic Direction; (iii) stakeholder consultations and engagements; (iv) macroeconomic analysis and modelling; (v) drafting of NDP IV and attendant Human Resource Plans; (vi) Validation and production of final Draft Plans; (vii) Approval and Launch of the Plans; and (viii) Post launch dissemination and compliance assessments.

1.5 Structure of the Plan

18. This Plan is organized into four parts, namely:

   i) **Part One: Background**, performance under previous plans and development context. After Chapter 1, Chapter 2 provides the global and regional development context within which NDPIV will be implemented; and Chapter 3 discusses the national development outlook.

   ii) **Part Two: Strategic direction.** This section comprises of Chapter 4 which presents the strategic direction of the plan.

   iii) **Part Three: Development programmes and implementation strategy.** Chapters 5 to 22 present the detailed articulation of the National Development Programmes.

   iv) **Part Four: Costing and Financing, Risk Management, Monitoring and Evaluation.** This consists of costing and financing, risk management, as well as monitoring and evaluation strategy that will be used for assessing the success in implementing the Plan and for realizing the country's developmental aspirations.

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CHAPTER 2: GLOBAL AND REGIONAL DEVELOPMENT CONTEXT

2.1 Introduction

19. The global and regional outlook present both opportunities and threats that inform the NDPIV strategic focus.

20. **The global economy is stabilizing but at a slow pace.** Having grown at 6.3% in 2021, the global economy slowed to 3.0% in 2022 and 2.6% in 2023. It is projected to stabilize at about 2.7% in the next three years, mainly driven by expansion in trade and investment. However, this growth is below the pre-COVID-19 period rate of 3.1%. The stability is also attributed to the emerging economies that grew at 3.2% in 2023 and are projected to stabilize at 4% between 2024 and 2026. The growth in the Middle East, one of Uganda's trading partners, is volatile at 5.9% in 2022, 1.5% in 2023, and is projected to grow at 2.8% in 2024 and 4.2% in 2025. Growth in Sub-Saharan African has been steady at about 3.8% in 2022 and 3.0% in 2023 and is projected to rise to 4.0% by 2026, driven by relatively higher growth in East Africa, projected to rise to 5.7% in 2026 from 4.8% in 2023.

21. **Despite global inflation rates trending towards desired levels, persistent challenges in commodity markets pose inflationary risks.** Global headline inflation is projected to decline to an annual average of 5.9 percent in 2024 and 4.5 percent in 2025 from 6.8 percent in 2023. By the end of 2026, the global inflation rate is anticipated to converge to an average of 2.8%, reflecting ongoing tight monetary policies and moderated wage increases. However, the volatility in commodity markets poses inflationary risks. Commodity prices are projected to remain above pre-pandemic levels despite experiencing a slight downturn in 2024 and 2025. Energy prices are expected to decline by 3 percent in 2024, with a further decline of 4 percent in 2025, as a result of notably lower prices of natural gas and coal offsetting higher oil prices. Agricultural prices are also expected to ease during the same period owing to improved supply conditions, while metal prices are set to remain steady in 2024, before rising slightly in 2025. Although the price forecasts assume no further conflict escalation, risks remain tilted to the upside, on account of the possibility of heightened geopolitical tension in the Middle East and Europe and their possible impact on commodity prices. These dynamics highlight the risks to sustained economic recovery arising from fluctuating commodity prices and inflationary pressures globally.

22. **Global trade is projected to pick up amidst low intra-African trade.** Global service trade at USD7.5 trillion in 2023 grew by 9%. However, global merchandize trade at USD 31 trillion in 2023 contracted by 3% from the record high 2022. The decline was mainly due to the contraction in merchandise trade driven by reduced demand in developed nations and trade weaknesses within East Asia and Latin American regions. A combination of factors negatively affected merchandize trade, including lower primary commodity prices, exchange rate fluctuations, reduced trade volumes and trade policy uncertainties mainly driven by

geopolitical rivalries. Nonetheless, world merchandise trade is expected to recover, growing at 2.6% in 2024 and 3.5% in 2025. The recovery is attributed to the easing in inflationary pressures and improved real household incomes. Africa accounts for only 3% of global trade in 2023. In addition, intra-African trade is still low, at 14.9% (USD192.2 billion) in 2023 compared to Asia and Europe, where intra-regional trade is estimated at 55% and 70%, respectively. The opportunity for this Plan lies more within the EAC and AfCFTA which form a bigger market for the value addition agenda.

23. **Global supply chains are shifting towards efficient, sustainable, and low-cost markets.** Supply chains have become increasingly globalized, with companies relying on intricate networks spanning multiple countries and continents. This includes diversifying away from an overdependence on China, reshoring back to Europe and the US, and using additional regional locations to create more flexibility and less overexposure to any individual market. A shift towards regionalization and near shoring is gaining traction as companies seek to mitigate risks associated with lengthy and complex global supply chains. In addition, the ongoing geopolitical tensions and trade disputes have introduced uncertainties, compelling organizations to reassess and adapt their supply chain strategies. The emergence of collaborative partnerships between suppliers, manufacturers, and logistics providers has become a strategic imperative for building resilience and flexibility. African countries, including Uganda have to strategically position themselves to take advantage of this emerging trend by adopting efficient production systems and leveraging the AfCFTA.

24. **Net financial flows to developing countries have declined over the last decade**. Net financial transfers to developing countries have fallen from their peak of USD225 billion in 2014 to 51 billion in 2022. The flows are projected to fall by over 100 billion by the end of 2025. More than one in five Emerging Market and Developing Economies (EMDEs) paid more to service their debt in 2022 than they received in external financing. This could rise to more than one in three by 2025. Given that 40 percent of EMDEs are highly susceptible to debt-related stress, fiscal consolidation is expected in most of the EMDEs in order to help governments, rebuild fiscal space. Global foreign direct investment decreased to USD1.3 trillion in 2024 from USD1.6 trillion in 2021 due to the economic slowdown, rising geopolitical tensions, industrial policies, supply chain diversification, and the reshape in FDI patterns. FDI inflows to developing countries fell by 7% (USD868 billion). Specifically, inflows to Africa declined by 3% to USD53 billion in 2023, while inflows to East Africa declined to USD11.2 billion from USD11.5 billion in 2022. This plan is cognizant of this constrained financial environment and its ramifications.

25. **The global population is expected to continue growing, albeit at a slower pace.** The global population increased to 8.1 billion in 2024 from 7.7 billion in 2011, with Asia accounting for 60%, of which 2.8 billion people are from India and China. It is projected to increase to 8.5 billion by 2030, with most of the growth taking place in low and lower middle-income

countries. Twenty five percent (25%) of the global population is under 15 years and 10% is over 65 years. Africa has the youngest population with 40% (480 million) of its population below 15 years and less than 3% above 65 years. The large number of young people in Africa who will reach adulthood in the coming years and have children of their own means that the region will play a central role in shaping the size and distribution of the world's population over the coming decade. Africa's middle-class has tripled over the last 30 years to 313 million (34%) of which 29.3 million are in East Africa. This population demographic has informed the market strategy of this Plan.

26. **The emerging regional and global trends provide both opportunities to be harnessed and challenges to be mitigated in the NDPIV.** The projected stabilization of the global economic growth, rising global trade, and the rising global population present opportunities for accelerating socio-economic transformation by increasing the country's earnings from the global economy. Harnessing these opportunities will require strategic investment in value addition to the country's resources in agriculture, tourism, minerals, and oil & gas. The evolving trend in global supply chain presents both opportunities and threats. To leverage the opportunities, Uganda has to be a cost-effective and more reliable player in the global economy. This requires increased application of STI in production processes. The decline in net financial flows presents a threat to the country's development agenda, calling for diversification of financing options. Similarly, global inflationary pressures pose a significant risk.

2.2 Key Development Opportunities

27. **Increased demand for value-added products in regional markets.** Considering that intra-African trade is still low at 14.9%, there is potential to increase value-added exports within the EAC and AfCFTA. In addition, Intra-African trade is set to increase as a result of: a growing population; growing economies within EAC and Africa at large; a rising middle class; removal of trade barriers; and expansion of cross border transport and infrastructure corridors. To benefit from this potential, the NDPIV will prioritize value addition to the abundant opportunities including agriculture, tourism, minerals and oil & gas. This will enable the country increase its share of manufactured products in merchandise exports beyond the current 15%.

28. **The recovery of the global tourism and travel industry.** The number of international tourists around the world was 1.3 billion in 2023, valued at USD1.9 trillion, an increase of 34% from 2022. However, Uganda only received 1.5 million in-bound tourists valued at USD4.0 billion (0.02% of the global industry value). The recovery of the global tourism industry presents Uganda an opportunity to rebrand and position itself to increase its foreign exchange earnings. To harness this opportunity, there is a need for value addition to the existing tourism products, product diversification & development, aggressive marketing of Uganda in key tourism source markets.

29. **Increased global demand for critical minerals mainly driven by the clean energy transition**. The market for critical minerals including lithium, nickel, cobalt, graphite and rare earth doubled in five years reaching USD320 billion in 2022 with annual revenues projected to reach USD400 billion. Africa will witness a 65% increase in market value by 2050. This soaring demand is driven by decarbonization; global energy transition; electrification; renewable energy technologies; and global demand for battery storage. This presents opportunities for intensified mineral based industrial development in Uganda which is endowed with untapped commercially viable quantities of Gold, Copper, Iron Ore, Cobalt, Lithium, Uranium, Limestone, Rare Minerals, Mable and Sand.

30. **The global oil prices are rebounding**. Crude oil prices increased to USD80.8 per barrel in 2023 from USD69.1 in 2021, largely driven by the global economic growth, global supply management measures, and the persistently high geopolitical tensions in the Middle East and Ukraine. This provides an opportunity for Uganda to accelerate its oil production and subsequently develop downstream petrochemical industry. Having signed the Final Investment Decision, there is a need to fast-track the development of the relevant infrastructure for extracting, refining, and storage of crude oil.

31. **Increased application of STI and the knowledge economy to provide new sources of growth, enhance value addition and productivity**. The rapidly changing technologies owing to the recent wave of innovations, are key drivers of mass production and trade of high value goods and services, particularly in developed economies. Africa is a net importer of high value goods and services due to the limited application of STI in value addition of the existing raw materials, less sophisticated production lines, low efficiency, and production of similar goods and services. STI presents an opportunity for Uganda to tap into new sources of growth, add value, and differentiate its exports to regional and global markets, increase efficiency and productivity. New potential sources of growth that can be leveraged using STI include; the pathogen economy, the pharmaceutical industries, the automobile industry, a bio-economy, circular economy, among others.

32. **Increased innovative financing options**. Despite the reduction in concessional funding owing to the several shocks such as global financial crisis of 2008, the Eurozone crises of 2011, the COVID-19 crises of 2020-2022, there is evolution of new innovative financing including; climate finance, PPPs, remittances, diaspora bonds, green bonds, infrastructure bonds, capital markets, crowd funding, pension funds, among others. There is need to explore and exploit these funding options to finance high impact priority investments that will accelerate the economy.

2.3 Threats

33. **The constrained global financial environment**. The world is witnessing a reduction in concessional funding as developed nations retain funding for their own domestic consumption. In addition, global public debt rose to USD97 trillion in 2023 an increase of 6% from the previous year. This situation is attributed to several shocks such as global financial crisis of 2008, the Eurozone crises of 2011, the COVID-19 crises of 2020-2022 which have led to a slowdown and uneven performance of the global economy. Consequently, developing countries are grappling with an international financial architecture which is limiting access to affordable development finance and pushing them to borrow more from more volatile and expensive sources. These conditions pose a threat to the public and the private sectors' ability to raise capital. There is a need to fast track alternative options for raising capital for funding critical investments to support economic growth and development.

34. **Elevated trade policy uncertainty.** In recent years, trade policy uncertainty has become a notable feature within the global trading system. This uncertainty arising from several geopolitical developments, protectionism policies (tariffs and trade barriers imposed by major economies), and shifting alliances has disrupted traditional trade patterns and created an unpredictable environment for international trade. For instance, trade tensions among the major economies have led to a series of tariffs and counter tariffs, which have affected global supply chains, causing volatility in international markets. In addition, COVID-19 exposed vulnerabilities in global supply chains prompting countries to adopt inward looking trade policies which could potentially reduce the interconnectedness of the global trading system and increase uncertainty for businesses and investors. This trend towards economic nationalism, coupled with ongoing geopolitical tensions are likely to persist in the foreseeable future and pose a threat to Uganda's value addition and export agenda under NDPIV.

35. **Security threats and cross border conflicts**. Regional security threats, such as terrorism, armed conflicts, civil unrest in the great lakes region has given rise to heightened risk of humanitarian crisis leading to an influx of refugees, and disruption of economic activities. For instance, the fragile security situation in South Sudan, Sudan, Eastern Democratic Republic of Congo, as well as the resurgence of Somali pirates threatens regional peace and stability leading to increased expenditure on security operations. Uganda is currently the third biggest refugee hosting country in the world and largest in Africa. The country's comprehensive refugee response policy constrains the available natural, & technical and financial resources, fuels conflicts between refugees and host communities, and has led to a state of statelessness.

36. **Increased climate change and environmental challenges.** The world is in the midst of a triple planetary crisis of climate change, biodiversity loss, and pollution. The global economy is consuming ever more natural resources. It is estimated that by 2060, resource extraction would rise by 60% of the 2020 levels. Global estimates show that, warming of 2-3°C might

result in more than 150 million additional cases of malaria worldwide. Although developing countries like Uganda produce only one-tenth of the global emissions, they are the most heavily impacted by climate change with their vulnerable populations suffering damaging outcomes in terms of health, food and water, education and others. Extreme weather events like droughts, floods, and changing rainfall patterns have significantly impacted agricultural productivity and food security. There is a need for mitigation measures against the adverse effects of environmental degradation in all investments in the anchor sectors.

2.4 Regional and international development obligations

37. NDPIV is cognizant of Uganda's commitments in regional and international development obligations. Uganda is a signatory to the Agenda 2030 for Sustainable Development which consists of a set of 17 goals and attendant targets. The Agenda 2030 embodies the aspirations of a world that is more equal, more prosperous, more peaceful and just as well as mindful of the planet. Uganda adopted and localized these goals and targets and mainstreamed them into NDPII. In the period since the drafting of the NDPII, the East African Community and the African Union also finalized the development of regional development plans, namely the EAC Vision 2050 and Africa Agenda 2063. The NDPIV programmes incorporate the country's regional and international development commitments and also address the thirteen (13) strategic bottlenecks to Africa's socio-economic development. The bottlenecks have been integrated into the African Peer Review Mechanism (APRM).

2.5 Emerging issues

38. The regional and global development environment is conducive to accelerating growth. In order to take full advantage of the opportunities and mitigate the threats, the country needs to:

i) Position itself to tap into the opportunities offered by the changing global supply chain by improving efficiency, and reducing the factor costs;

ii) Prioritize the EAC and AfCFTA as Uganda's primary markets for the value addition agenda to take advantage the expanding middle class;

iii) Prudently utilize the available financial resources through enforcement of fiscal discipline, improve prioritization & sequencing of public investment interventions, minimizing supplementary budgets, reducing administrative costs of running government, and accumulation of domestic arrears;

iv) Increase domestic revenue generation given the constrained global and regional financial environment to realize development aspirations;

v) Invest in value addition of the abundant opportunities to benefit from increased demand for value-added products in global, continental, and regional markets;

vi) Add value to the existing tourism products, diversify & develop more products, and undertake evidence-based marketing in key tourism source markets to harness the opportunities provided by the recovery of the global tourism and travel industry;

vii) Intensify mineral based industrial development of selected minerals to harness the increasing global demand;

viii) Fast-track the development of the relevant infrastructure for extracting, refining, and storage of crude oil to tap into the rebounding oil prices;

ix) Invest in STI to create new potential sources of growth, value addition, product sophistication, and enhance efficiency & productivity;

x) Explore and exploit the new innovative financing options to finance high impact priority investments;

xi) Invest in commercial diplomacy and economic intelligence to mitigate the global trade policy uncertainty;

xii) Invest in cross border security to mitigate security threats caused by cross border conflicts; and

xiii) Promote the sustainable use of natural resources and mitigate against risks that come with climate change vulnerability, biodiversity loss, and pollution.

PART II: MACROECONOMIC STRATEGY AND STRATEGIC FOCUS

CHAPTER 3: NATIONAL DEVELOPMENT OUTLOOK

3.1 Macroeconomic strategy

39. **The macroeconomic strategy is underpinned by the objectives of sustainably growing the economy by double-digit, maintaining macroeconomic stability, creating more jobs, while raising resources to address the critical infrastructure deficit and social expenditures.** It also aims to competitively position Uganda to fully tap the regional, continental, and global market opportunities. The strategy highlights the NDPIV sources of growth, monetary & fiscal strategies, expected key development outcomes, interventions and resources required to achieve the expected socio-economic outcomes.

40. The specific objectives underpinning the overall macroeconomic strategy are to:

i) Reduce poverty from the current 20.3 percent to 14 percent by FY2029/30;

ii) Attain double-digit growth to double the current GDP by FY2029/30;

iii) Achieve an average of 884,962 stock of jobs annually over the NDPIV period;

iv) Maintain price stability marked by single digit inflation within the target band of 5% +/-3;

v) Pursue prudent fiscal policy with the aim of supporting macroeconomic stability consistent with regional and domestic fiscal policy rules, specifically ensuring that debt to GDP remains below 50% in present value terms and gradually reduce net domestic financing (NDF) and fiscal deficit to below 1% and 3% respectively by FY2029/30; and

vi) Attain an increase in revenue to GDP ratio by 0.5 percentage points annually over the NDPIV period.

41. The key selected economic and financial indicators are shown in Table 3.1.

Table 3.0.1: Selected Economic and Financial Indicators, FY 2025/26-2029/30

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
GDP and Prices (percent change)							
Real GDP	6.1	6.4	7.3	9.0	9.8	10.4	10.1
Core Inflation (average)	5.7	7.0	7.0	7.0	7.0	7.0	7.0
Savings and Investments Gap (percent of GDP)							
Gross Domestic Savings	19.2	17.7	18.5	19.7	19.9	21.3	22.7
Public	1.3	(1.0)	(3.3)	(1.2)	0.3	2.1	3.9
Private	17.9	18.7	21.7	20.9	19.7	19.2	18.8
Domestic Investments	26.3	24.1	24.1	24.0	24.1	25.6	26.6
Public	8.5	4.7	4.5	4.2	4.1	4.3	4.3
Private	17.8	19.4	19.6	19.8	20.0	21.3	22.3
Government budget and debt (percent of GDP)							
Revenues and Grants	15.3	15.6	17.0	17.6	17.9	18.2	18.7
Revenues	13.6	14.3	16.1	16.9	17.4	17.8	18.3
Grants	1.7	1.3	0.9	0.7	0.5	0.5	0.4
Expenditures and net lending	22.6	21.3	24.7	23.0	21.8	20.4	19.1
Overall balance (including grants)	(7.2)	(5.7)	(7.7)	(5.4)	(3.9)	(2.1)	(0.4)
Overall balance (excluding grants)	(8.9)	(7.0)	(8.7)	(6.1)	(4.4)	(2.6)	(0.8)
Net Domestic borrowing	3.6	3.5	1.2	1.2	0.8	0.4	-
Public gross nominal debt (%GDP)	49.2	49.0	50.9	51.9	52.5	52.3	52.5
Domestic	28.3	25.7	24.3	23.4	22.7	21.4	20.5
External	20.9	23.3	26.7	28.5	29.7	30.9	31.9
External Sector (percent of GDP)							
Current Account (including grants)	(7.1)	(6.4)	(5.6)	(4.3)	(4.2)	(4.3)	(3.9)
Current Account (excluding grants)	(7.5)	(6.8)	(5.9)	(4.6)	(4.5)	(4.5)	(4.1)
Trade balance	(7.1)	(6.2)	(5.3)	(4.7)	(3.8)	(4.3)	(4.1)
Exports	11.0	9.9	9.1	8.5	7.9	7.0	6.5
Imports	18.1	16.2	14.4	13.2	11.7	11.4	10.7
Money and credit (percent change)							
Broad money (M3)	16.3	16.9	14.7	16.0	16.7	18.6	18.2
Private sector credit	14.7	8.6	7.1	8.6	11.5	11.4	16.1
Key outcomes							
Nominal GDP (UG Shs Billions)	209,217	238,189	273,562	319,017	374,773	442,786	521,662
Nominal GDP (US$ millions)	56,181	65,266	76,488	91,018	109,107	131,539	158,133
GDP Per Capita (USD)	1,222	1,379	1,571	1,824	2,133	2,509	2,942

Source: National Planning Authority and MOFPED, 2024

3.2 Economic growth strategy

42. **Attainment of double-digit growth requires significant productivity enhancement and investment in the key strategic priority areas that will lead to a new and higher economic frontier.** The key strategic priority areas are: agro-industry; tourism; mineral-based industrial development; oil and gas development (petrochemical industries); and knowledge economy mainstreaming. The identification of these areas was based on their higher multiplier effect on output & employment and potential for import replacement and export promotion. The

Plan prioritizes these strategic areas together with other growth enablers such as human capital and infrastructure development.

43. **Services will continue to be the dominant source of growth, however, industry's contribution driven by agro-processing is emerging.** The services sector contribution will increase to 5.2% in FY2029/30 from 3.8% in FY2024/25 on account of increased contribution of wholesale & retail trade and tourism activities such as accommodation & food services, creative arts, entertainment, and recreation. In particular, tourism related activities' contribution to growth is expected to increase from 0.2% in FY2024/25 to 0.4% in FY2029/30, while the provision of social services and infrastructure projects will contribute 3% to GDP growth over the NDPIV period. The contribution of industry to GDP growth will increase to 3.2% in FY2029/30 from 1.7% in FY2024/25 while the agriculture, forestry & fishing contribution will increase to 1.8% from 1.1% over the same period. The increased contribution of the industry sector will be largely driven by agro-processing and mineral exploration & beneficiation largely from iron ore and phosphates, whereas the increase in agricultural contribution will be attributed to food crops, cash crops and fishing (Table 3.2). The expansion is also driven by oil-related production, as construction activities conclude, and production begins. Value addition to crude oil is expected to contribute 0.8%, with oil revenues expected to range from 1% of GDP at the start of production and peak at 3% of GDP. Table 3.2 provides the decomposition of the various sources of growth.

Table 3.0.2: Decomposition of growth, FY2025/26-FY2029/30

	24/25	25/26	26/27	27/28	28/29	29/30
Real GDP	**6.60**	**7.35**	**9.05**	**9.82**	**10.35**	**10.13**
Agriculture, forestry & fishing	**1.10**	**1.39**	**1.73**	**1.82**	**1.76**	**1.81**
of which:						
Cash crops	0.01	0.17	0.27	0.21	0.12	0.23
Dairy farming	0.00	0.00	0.04	0.03	0.01	0.02
Food crops	0.54	0.54	0.66	0.73	0.77	0.71
Fishing	0.13	0.16	0.21	0.23	0.22	0.24
Livestock	0.13	0.15	0.17	0.18	0.19	0.18
Other	0.31	0.36	0.41	0.46	0.47	0.46
Industry	**1.72**	**2.45**	**2.88**	**3.01**	**2.87**	**3.17**
of which:						
Agro - processing	0.68	0.79	1.30	1.34	1.15	1.33
Construction	0.45	0.81	0.55	0.61	0.71	0.69
Electricity and water	0.24	0.24	0.29	0.34	0.36	0.36
Mining & Quarrying	0.08	0.14	0.15	0.15	0.14	0.16
Other Manufacturing	0.27	0.48	0.59	0.57	0.51	0.63
Services	**3.79**	**3.50**	**4.44**	**4.99**	**5.72**	**5.15**
of which:						
Transport services	0.18	0.17	0.26	0.27	0.26	0.28
Wholesale and retail trade	0.51	0.69	0.82	0.89	0.86	0.89
Telecommunications-ICT	0.13	0.13	0.18	0.19	0.21	0.20
Financial services	0.26	0.22	0.28	0.31	0.37	0.32
Health	0.16	0.18	0.22	0.27	0.28	0.28
Public Administration	0.15	0.18	0.23	0.25	0.82	0.30

	24/25	25/26	26/27	27/28	28/29	29/30
Accommodation & Food Services	0.22	0.22	0.27	0.34	0.37	0.35
Other services	2.17	1.71	2.18	2.48	2.55	2.51

Source: National Planning Authority, 2024

44. Decompose growth from the demand side showing consumption both private and government, investment (private and government), exports and imports (private and government)

3.3 Growth and employment creation strategy

45. **Employment prospects will remain buoyant as output expands, supported by sustained demand for services and additional investment in industries.** The investments in the anchor sectors will translate into expansion of economic output, which is a necessary condition for job creation. The Plan adopts a four-pronged approach to job growth: expanding the industrial base, ensuring productivity gains across all sectors; diversifying economic activities to generate job opportunities; and expanding household investment opportunities through the PDM and other wealth creation funds. This will translate into an overall stock of new jobs amounting to 4.4 million with an annual average of 884,962 during the NDPIV period (Table 3.4). The services sector will have the highest growth in jobs of 42% over the plan period, followed by the industry sector with a growth of 24%, while the agriculture sector will have the least growth in jobs (19%) over this period. The high growth of jobs in the service sector will particularly be driven by expansion in professional services, trade & logistics (transport and storage), and financial services, benefiting from the expansion in manufacturing and the extractives industry. In addition, the increased focus on urbanization and tourism development is expected to open up job opportunities in the real estate sector, financial services sector, and accommodation & food services. The growth in the industry sector jobs will be driven by activities in the manufacturing sector, mining as well as the construction sector.

Table 3.0.3: Stock of new Jobs created over the NDPIV period

Employment Industry	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Agriculture, forestry & fishing	**208,409**	**466,761**	**421,909**	**257,716**	**247,504**
Industry	**137,116**	**124,837**	**129,922**	**135,748**	**169,404**
Mining	12,049	10,965	9,880	9,053	16,124
Manufacturing	51,482	78,862	79,767	69,826	78,956
Electricity & Water	938	968	1,308	1,737	1,324
Construction	72,648	34,041	38,967	55,132	72,999
Services	**327,068**	**391,797**	**439,326**	**503,788**	**463,508**
Trade and Repairs	168,230	164,990	177,584	177,188	191,516
Transport & Storage	22,489	33,413	34,801	41,869	35,017
Accommodation & Food Service Activities	16,330	18,631	26,879	34,328	31,267
Information & Communication	2,202	3,510	4,025	5,734	3,487
Financial and Insurance Activities	2,252	2,943	3,370	5,294	3,279
Real Estate Activities	953	1,010	1,409	1,771	1,521

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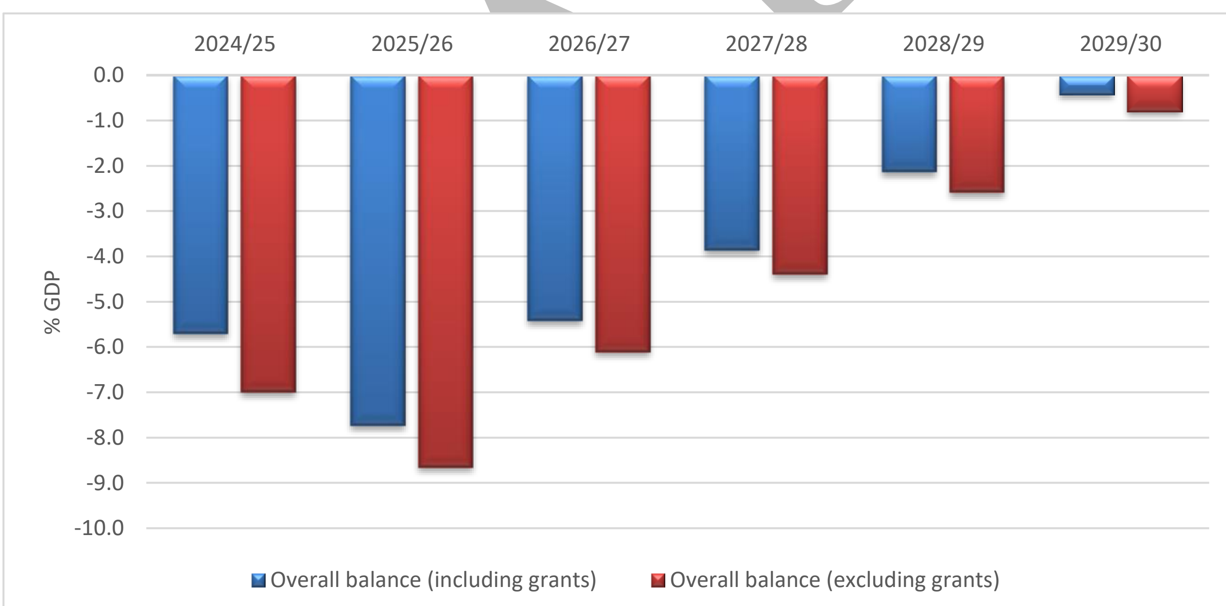
Employment Industry	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Professional, Scientific & Technical Activities	8,055	9,453	9,475	11,739	11,236
Education	37,480	40,196	46,063	52,615	48,369
Human Health & Social Work Activities	8,585	9,133	12,118	14,991	13,218
Arts, Entertainment & Recreation	3,426	4,525	6,366	7,231	7,115
Other Services	57,064	103,994	117,237	151,026	117,483
Overall Total	**672,594**	**983,396**	**991,157**	**897,252**	**880,416**

Source: National Planning Authority, 2024

3.4 Fiscal strategy

46. **The fiscal consolidation agenda of Government will continue.** The expenditure to GDP ratio will decline from 21.3% to 19.1% by the end of the plan. The deficit will initially peak at 7.7% in FY2025/26 before consolidating to less than 1% by the end of the Plan in line with the EAC Convergence criteria. To this end, the strategy aims at sustaining fiscal consolidation efforts through collection of more revenue, acquisition of low cost & low risk financing, and achieving budget allocative efficiency. Additionally, the strategy strives to improving the efficiency of public investment management. Figure 3.1 shows the fiscal path.

Figure 3.1: Overall Fiscal Deficit



47. **The fiscal consolidation agenda will be financed within sustainable levels over the medium to long term.** In this regard, the macroeconomic framework adopts a fiscal path that ensures the debt to GDP ratio remains sustainable. The revenue to GDP ratio is expected to grow by 0.5 percentage points annually rising to 18.3% by FY 2029/30.

3.4.1 Revenue Strategy

48. **The focus will be on expanding the tax base and improving tax administration.** More revenue will be generated from the untapped segments of commercial agriculture & agribusinesses, mining & mineral enterprises, creative arts, and informal sector enterprises. In addition, government will fast-track the rolling out of digital technologies to facilitate cashless transactions and improve accuracy in the filed tax returns and compliance. Government will also focus on strengthening administrative efforts through building tax administration capacity of URA in minerals, oil & gas, and e-commerce; as well as expand tax audits in targeted industries in mining, oil & gas, telecommunications, and professional service providers to increase compliance. Furthermore, Government will adopt a performance-based tax expenditure (tax incentive) regime to minimize revenue losses. Overall, it is expected that these interventions will lead to an increase in total revenues and grants will increase to 18.6% of GDP by FY2029/30 from 14.5% as FY2022/23, of which oil revenues contribute 0.5% (Table 3.4).

Table 3.4: Sources of Revenues (%age of GDP)

	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Proj						
Total Revenues and Grants	16.5%	16.5%	16.9%	17.6%	17.9%	18.2%	18.6%
Total Oil and Non-Oil Revenues	14.8%	15.3%	16.0%	16.9%	17.4%	17.8%	18.3%
Non-Oil Tax Revenues	14.8%	15.3%	15.8%	16.3%	16.8%	17.3%	17.8%
Oil revenues	0.0%	0.0%	0.3%	0.6%	0.6%	0.5%	0.5%
Grants	1.7%	1.2%	0.9%	0.7%	0.5%	0.4%	0.4%
Budget Support	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Project Support	1.3%	1.2%	0.9%	0.7%	0.5%	0.4%	0.4%

Source: NPA, 2024

3.4.2 Expenditure Strategy

49. **The expenditure strategy prioritizes investments in the key development opportunities of the Plan that will drive the attainment of the desired double-digit growth.** To achieve the objectives of the Plan, Government will spend the new mobilized resources averaging 2.1% of GDP over the Plan period on the key growth and priority investment areas in line with the 10-fold growth strategy including agro-industrialization, minerals, oil & gas, STI, tourism, emerging opportunities of AFCON, GKMA urban development, road maintenance, investment in railway, and the petrochemical industry.

50. **Expenditure to GDP ratio will peak in the initial years but decline gradually in the latter years with expansion in output.** The overall average spending is expected to amount to 21.8% of GDP with the peak of 24.7% in the FY2025/26 and consolidation of spending by the end of the Plan to 19.1% of GDP. This pattern is largely driven by the required spending levels on the key projects identified to enhance the desired growth. The initial increase in the

overall spending is largely attributed to huge investments in priority areas and sustaining the multi-year commitments. As key infrastructure projects especially in energy wind up coupled with the rapid increase in GDP, the expenditure to GDP is projected to decline towards the end of the Plan period.

51. **Government will ensure efficient allocation of resources by strengthening public investment management reforms.** These reforms aim to particularly enhance project planning and implementation, improve the execution of externally financed projects, reduce procurement delays, and ensure compliance with project conditionalities to ensure timely project completion. Additionally, fiscal discipline will be key to reduce the frequent use of supplementary and ad-hoc budget practices.

3.4.3 Deficit Financing and Debt sustainability

52. **The attainment of double-digit growth will necessitate higher spending needs and a slight increase in the fiscal deficit in the initial years of the NDPIV (Table 3.5)**. Financing of this deficit will require more revenue mobilization and debt acquisition. While revenue is expected to increase to 18.7% of GDP in FY 2029/30 from 15.3% in FY 2023/24, this is not sufficient to finance the development needs. Public debt to GDP is therefore expected to increase to 52.5% in FY 2029/30 from 49.2% in FY 2023/24.

53. **The major risk to debt sustainability is failure to attain the envisaged growth outcomes, implying any shock affecting growth would lead to high risk of debt distress. Other risks** include the increased debt service burden on revenues due to the high cost of domestic debt and commercial loans which reduces development expenditure. The Government will therefore invest in export development, attracting FDI and domestic revenue mobilization to provide the necessary resources to finance development needs.

Table 3.5: Sources of financing–Percent of GDP

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Overall Deficit (including grants)	-6.0%	-5.7%	-7.7%	-5.4%	-3.9%	-2.1%	-0.4%
Overall Deficit (excluding grants)	-7.7%	-7.0%	-8.7%	-6.1%	-4.4%	-2.6%	-0.8%
Financing	6.0%	5.7%	7.7%	5.4%	3.9%	2.1%	0.4%
External financing	3.5%	2.2%	6.6%	4.2%	3.1%	1.8%	0.4%
Budget support	0.0%	0.6%	0%	0%	0%	0%	0%
Concessional loans	3.5%	1.6%	5.1%	3.2%	1.5%	0.8%	0.0%
Non-concessional borrowing (HPPs)	0.0%	0.1%	1.5%	1.0%	1.6%	1.0%	0.4%
Non-concessional borrowing (Others)	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic financing (net)	2.5%	3.5%	1.2%	1.2%	0.8%	0.4%	0.0%
Bank financing	1.7%	1.5%	0.6%	0.6%	0.5%	0.2%	0.0%
Bank of Uganda	0.9%	-5.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Banks	0.8%	7.4%	0.6%	0.6%	0.5%	0.2%	0.0%
Non-bank financing	0.8%	2.0%	0.6%	0.6%	0.3%	0.2%	0.0%

Source: National Planning Authority, 2024

54. Table 3.5 shows that external financing will continue to have a significant role. This is particularly critical given the need to limit domestic borrowing to sustainable levels to avoid crowding out resources for the private sector. External financing will increase to 6.6 percent of GDP in 2025/26 and this is driven by increased borrowing at concessional and non-concessional terms. Domestic financing on the other hand will be limited to less than 1 percent of GDP by the end of the plan.

3.5 Price and monetary developments

55. **Monetary policy will be underpinned by the desire to maintain price stability**. The target of core inflation for NDPIV will be within single digits but maintained between the band of 5 and 10 percent. Inflation targeting through the use of interest rates will remain the operational tool used to control inflation. The central bank will need to strike a balance between controlling inflation and supporting growth, particularly by managing high interest rates that could curb the expansion of private sector credit. While inflation targeting has proved to be successful in maintaining macroeconomic stability, there is a challenge of market interest rates adjusting in tandem with the CBR owing to the high banking overhead costs and shallow financial markets which limit the banks to achieve the economies of scale. In addition to overhead costs, bank activities are impeded by poor institutional environment characterized by slow and inefficient legal system, problems of land titling and unreliable valuation of properties. The inflation targeting framework will, therefore, have to be supported by measures that can address the challenges in the banking system so that market interest rates fully adjust to the CBR. It is hence expected that private sector credit will continue to grow at a rate averaging about 11 percent, and thereby support the overall GDP growth and creation of jobs.

3.5.1 Monetary policy stance and inflation

56. **Bank of Uganda (BoU) will continue to implement a monetary policy framework that will ensure price stability and a conducive environment for attaining economic growth over the NDPIV period.** The Bank of Uganda has implemented an inflation targeting monetary policy framework since July 2011. The Bank of Uganda uses the Central Bank Rate (CBR) to influence interbank money market rates, ensuring they move in tandem with changes in the CBR. This, in turn, should influence other retail interest rates, both short-term and long-term, throughout the economy.

57. The inflation outlook will be largely dependent on changes in domestic food prices, exchange rate and international commodity prices. During the NDPIV period, the objective is to keep annual inflation low and stable assuming no major shocks to the economy.

3.5.2 Exchange rate Policy

58. Notwithstanding the recent developments in the foreign exchange market, Government's exchange rate policy will continue to be market determined and will largely be driven by developments in the balance of payments.

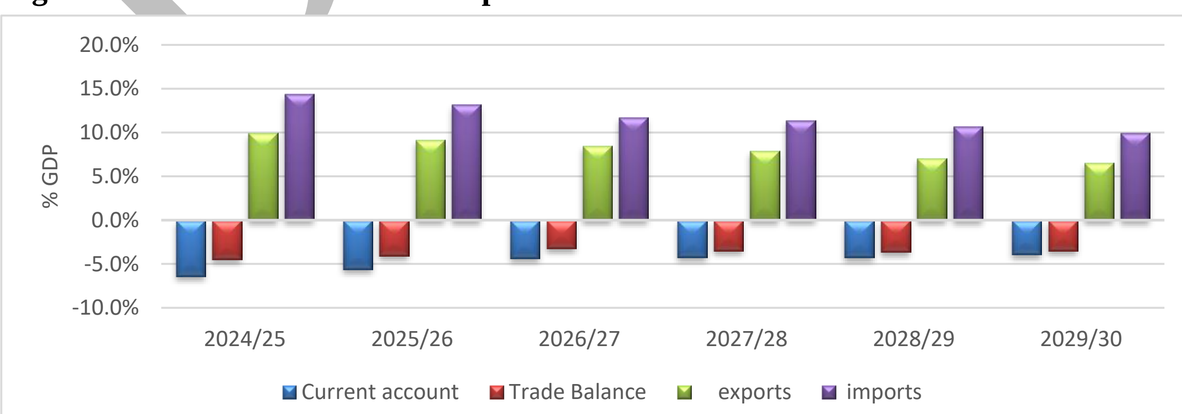
3.5.3 Private sector credit growth

59. **A gradual reduction of Government domestic borrowing over the NDPIV will support growth of private sector credit.** Table XX shows that net domestic Government borrowing will decline to 0.1% by 2029/30 from 3.5% in FY 2024/25. In the same period, private sector credit is expected to grow at an average of 11 percent. The government has implemented several reforms over the years to bring down the lending rates. In spite of these reforms, commercial bank lending rates continue to be prohibitively high and keep borrowers away from the credit markets which is in part attributed to Government's excessive borrowing from the domestic market and the high operational costs of the financial intermediation. To address these challenges, Government will encourage financial institutions to adopt digitization in their operations and Government will also scale down domestic borrowing.

3.6 External Sector Developments

60. **The fiscal strategy emphasizes investments in productive sectors, which, combined with productivity gains across various sectors, will positively impact external developments.** Improvements are expected in the current account deficit, to 3.9% from 5.6 percent during the same period on account of the expected increase in project financing. The current account will partly be financed by an increase in foreign direct investments and increased government borrowing which will largely be used to finance projects that will spur the anticipated growth. Similarly, with an improvement in productivity of the exportable sectors, the overall level of the trade balance deficit is expected to improve to 3.5 percent of GDP in 2029/30 from 4.5 of GDP 2024/25 and average at about 3.6 percent during the NDPIV period **(Figure 3.2).**

Figure 3.2: External Sector Developments



CHAPTER 4: STRATEGIC DIRECTION

4.1 The NDPIV Goal

61. The goal of the Plan is to **"*Achieve higher household incomes and employment for sustainable socio-economic transformation*".** This goal is to be achieved under the theme **"*Sustainable Industrialization for Inclusive Growth, Employment, and Wealth Creation*".**

62. **In pursuit of the goal, the Plan is focused on exploitation of high impact growth areas that will propel a double-digit growth over the NDPIV period and subsequently contribute to 10-fold growth of the economy over the 15 years leading up to 2040.** The government will aggressively invest in improving the country's competitiveness through prioritization of development opportunities and ensuring a rapid uptake of STI in the identified growth areas. These areas include: (i) Value addition and industrialization; (ii) agriculture, (iii) tourism development; (iv) mineral-based industrial development; (v) ICT; and (vi) Finance. The justification for these key growth and development opportunities in driving double digit growth in the next five years is illustrated below:

    i) **Value addition and industrialization are the most appropriate drivers of the double-digit growth and the qualitative leap that should be ushered in during the Plan period.** Additionally, it is vital that work in the prioritized industrial value chains is underpinned by a supportive STI ecosystem including requisite infrastructure; specialized human resources; policy & regulation; and investment. In particular, sustainable industrialization is critical for late comer developers and structural transformation by enhancing productivity in the pursuit of accelerated rates of inclusive economic growth, employment, and wealth creation. Industry can be the anchor to development of other sectors such as urbanization, infrastructure, social services in education and health, tourism, agriculture, science and technology etc. Beyond the direct benefits that value addition and industry provide, they create fruitful linkages and opportunities for all the other aspects of the economy. For example, industry requires input bases and markets like agriculture and minerals to thrive. It also requires educated, skilled, and healthy people, who act as productive labour and market. Further industry, can't survive in a dilapidated environment, and therefore requires built and well-maintained infrastructure and services, and ICT among others, to thrive. For countries like Uganda, value addition and industrialization are key solutions to address demographic pressures;

    ii) **Agriculture is the dominant source of livelihood for the majority of Ugandans.** Value addition to agriculture is the foundation for agro-industrialization which is critical for sustainable wealth & job creation and expansion of manufactured exports. The backward and forward linkages between agriculture and industry are essential in sustainably transforming the agro-value chains required in ensuring sufficient supply of raw materials for domestic industries to drive the import replacement strategy and mass exports. In addition, agriculture guarantees food and nutrition security;

iii) **Mineral development is central in facilitating resource-based industrialization.** Minerals have intrinsic and practical value as an input in manufacturing, boosting the supply of locally manufactured products like cement, iron & steel, and fertilizers. Value addition to minerals contributes to the economy by increasing export earnings and job creation. In addition, minerals contribute to the diversification of energy sources and technology which serve high-technology intensive companies and automotive manufacturing;

iv) **ICT is a business and job creator, amplifier, and augmenter of socioeconomic transformation.** It has a huge potential to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. ICT as an industry has the potential to produce low volume-high value goods to boost the country's exports and foreign exchange earning in addition to employment and wealth creation. It also provides an opportunity to improve national productivity by making Government and business enterprises more efficient, effective and globally competitive. There is potential to improve availability of digital content and e-products, automation of Government processes and inter-agency connectivity, innovation, bridging the gap between industry and the academia, and commercialization of research and development. This industry is expected to greatly contribute to the national GDP and create employment opportunities;

v) **Tourism generates revenue and employment with high return on investment which are needed to drive the desired industrialization.** Tourism has wide multiplier effects by developing not only primary industries but also secondary industries to support tourism e.g., agriculture, manufacturing, transport and services. Tourism is important for increasing forex earnings, creating jobs and alleviating poverty. It contributes towards inclusive growth and development of a country by: bringing numerous economic value and benefits; and, helping in building the country's brand value, image and identity. It is important for poverty reduction by providing employment and diversified livelihood opportunities. This in turn provides additional income or contributes to a reduction in vulnerability of the poor by increasing the range of economic opportunities available to individuals and households;

vi) Finance is a business, job creator, and a vehicle for sustainable financing of public and private investments, especially for industrialization. As a business, financial services ranging from banking to microfinance, insurance, capital markets, and fintechs drive profits through lending, investment, and innovative financial products. These services fuel industrial growth by providing the capital needed for businesses to expand, invest in new technologies, and enter new markets. Simultaneously, the finance sector creates jobs directly within banks, insurance companies, and fintech firms, and indirectly by enabling the growth of other industries. Access to finance empowers small and medium enterprises (SMEs) and startups, fostering entrepreneurship and industrial diversification. By supporting sustainable business practices and green financing, the finance sector also ensures that industrial growth in Uganda aligns with environmental and social sustainability goals; and

vii) **Integration of Science Technology and Innovation (STI):** All the above will be leveraged through deepening the integration of STI and the knowledge economy. It's important to note that nations need Science, Technology and Innovation (STI) to solve their problems of poverty and underdevelopment through increasing value for sale and the way we live and do business. STI is a key driver of economic growth and a prime source of competition in the global marketplace with at least 50% of growth attributable to it. A correlation of STI and economic growth can be observed with countries such as South Korea, Israel, Singapore, Germany and Switzerland. Uganda which is richly endowed can more achieve transformation in a shorter timeline with a well implemented National Science, Technology and Innovation System.

4.2 The NDPIV strategic objectives

63. The Plan will be delivered through five strategic objectives:

i) Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT, and financial services;

ii) Enhance human capital development along the entire life cycle;

iii) Support the private sector to drive growth and create jobs;

iv) Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry, and ICT; and

v) Strengthen good governance, security, and the role of the state in development.

4.3 The NDPIV Prioritization Logic

64. **Accelerated economic growth will arise from increased factor productivity resulting from efficient utilization of the factors of production**. The optimum choice for a production process, depends on addressing distortions that affect the cost, availability, efficiency, and effectiveness of each factor of production i.e. land, capital, labour, and entrepreneurship. There is a need to address the land use & management, acquisition of right of way, and multiple land ownership challenges. Relatedly, there is need to increase labour productivity and transition the working population from low value to high value sectors. In addition, the

speculative tendencies & oligopolistic nature of the banking sector and application of a prime lending regime in a sub-prime market, need to be addressed. to reduce the cost of capital. Further, inculcate the entrepreneurship mindset through business development services, financial literacy, innovation hubs, and incubation centers to enable survival and growth of enterprises. Addressing distortions in the factor of production will therefore, improve efficiency and resource utilization, thereby enhancing production capacity and enabling greater value addition needed to achieve a double-digit growth.

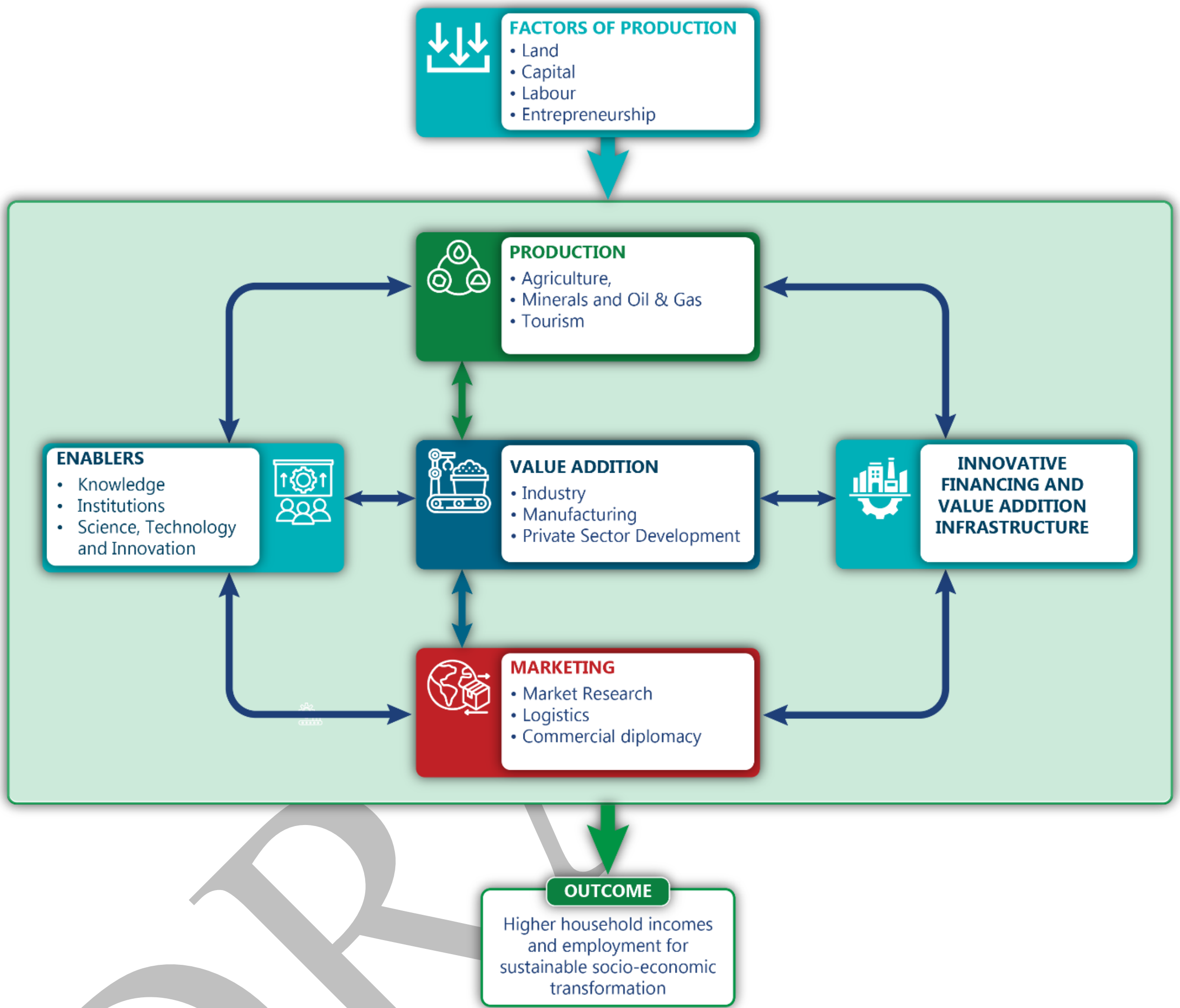
65. **The Plan emphasizes value addition as a main strategy for accelerating growth, employment, and wealth creation to achieve higher household incomes.** This framework provides a basis for prioritization across programmes to create the requisite linkages for value addition. It describes the critical interlinkages among the inputs, processes, outputs, and support systems for value addition.

66. **Agriculture, minerals, oil & gas, and tourism are prioritized as anchors for value addition**. Production in these areas needs to be sustained while increasing productivity to provide a reliable source of inputs. Value addition not only provides incentives for production and productivity in the priority areas but also transforms primary inputs into higher value outputs that can effectively compete in the regional and international market. This requires strategic investment in industrial processes, manufacturing, and private sector development.

67. **For the value addition agenda to be successful, there is need for deliberate efforts to increase market access and support systems.** Effective marketing (market research, commercial diplomacy etc.), logistics, and compliance to standards are key for ensuring the efficient delivery of value-added products to markets. Furthermore, the support system including knowledge enhancement, institutional support, integration of STI, innovative financing, and requisite infrastructure (industrial parks etc.) are essential for sustaining value addition efforts.

68. By focusing on value addition, Uganda aims to harness its resources more effectively, boost competitiveness in the regional and global markets and drive sustainable inclusive economic growth. This integrated approach is designed to create jobs, improve standards of living and promote inclusive development across the country, underpinned by peace, security and macroeconomic stability.

Figure 4.1: The NDPIV Prioritization Logic



69. **Based on the prioritization logic, the Plan prioritizes the following:**

i) Value addition to Agriculture (including fisheries and commercial forestry), Tourism, Minerals, and Oil & Gas (petrochemical industry i.e. refinery and Kabalega industry park);

ii) Infrastructure to support value addition (energy generation, transmission, & distribution, STI parks, special export processing zones, industrial parks, and EACOP) and maintenance of existing infrastructure;

iii) The knowledge economy (STI) including ICT. STI interventions include vaccine development & KIIRA Motors and the integration of STI across the key growth industrial value chains for increasing productivity. ICT includes digitalizing Government services such as E-government and integration of systems to make government efficient and more productive;

iv) Railways (SGR and MGR) so as to connect Uganda to regional and external markets and ease the cost of doing business;
v) Reduction of the cost of credit, especially through Uganda Development Bank (UDB) and Uganda Development Corporation (UDC),
vi) Wealth creation initiatives. Full operationalization of Parish Development Model (PDM) and EMYOOGA;
vii) Cultural & creative industry and sports (including hosting of the African Cup of Nations (AFCON));
viii) Cost effective solutions to deliver and consolidate gains in social services (health and education);
ix) Greater Kampala Metropolitan Area (GKMA). GKMA is to be positioned as Uganda's major logistical hub, a catalyst and springboard for increasing productivity in all aspects of the economy including FDI, tourism, efficient public services, and highly improved quality of life; and
x) Revenue generation. Full implementation of DRMS and seeking innovative revenue generation across all government entities.

4.4 Key Development Results

70. Targets to be achieved during the five-year implementation period of the NDPIV have been set within the context of the 10-fold growth strategy and Vision 2040 targets. In this regard, the implementation of NDPIV is expected to deliver the following results.

Table 4.1: Proposed key performance indicators for NDPIV

Impact/Outcome	Indicators	Baseline FY2022/23	Targets FY2029/30
Goal: Achieve higher household incomes and employment for sustainable socio-economic transformation			
Higher Household incomes	Real GDP growth rate	5.2	10.1
	Income per capita (USD)	1,051	2,008
	Population below the poverty line	20.3	15.51
	Gini Coefficient	0.43	0.37
	Average monthly nominal household income (UGX)	200,000	578,635
Employment	Share of working population (%)	78.8	87.2
	Labor force participation rate (%)	57	68.6
	Share of national labor force employed less subsistence (%)	52	64.1
	Employment population ratio	43	59.8
	Labor productivity (GDP per worker, USD)-Agriculture	945	1,737
	Labor productivity (GDP per worker, USD)-Industry	7,542	13,866
	Labor productivity (GDP per worker, USD)-Services	3,150	5,791
Objective 1. Sustainably increase production, productivity and value addition in agriculture, industry, tourism, minerals, oil & gas, ICT and financial services			

Impact/Outcome	Indicators		Baseline FY2022/23	Targets FY2029/30
Increased production volumes and earnings by firms and households in agriculture, tourism, minerals, and oil & gas, ICT and financial services	1.1. Contribution to GDP	Agriculture	24	24.77
		Tourism	2.17	3.4
		ICT	1.54	2.20
		Service		47.40
		Mining	1.89	2.40
		Industry		28.40
		Oil & Gas	TBD	
		Financial Services	2.75	3.46
	1.2. Merchandise export to GDP ratio		11.4	18.7
Objective 2. Enhance human capital development along the entire life cycle				
Improved learning outcomes and acquired skills relevant to the job market	2.1. Literacy rates		53.4	
	2.2. Numeracy rates		51.2	
	2.3. Survival rates	Primary	34.2	
		Secondary	75	
	2.4. Quality adjusted learning Years of Schooling (QALYS)		4.5	
	2.5. Employers satisfied with the TVET training (%)		40	
	2.6. Sports development index		TBD	
Improved quality of life	2.7. Maternal Mortality Ratio/ 100,000		336	
	2.8. Infant Mortality Rate/ 1000		43	
	2.9. U5 Mortality Ratio/ 1000		64	
	2.10. Neo-natal mortality rate (per 1000)		27	
	2.11. Total Fertility Rate	Total	5.4	
		Urban		
		Rural		
	2.12. Population growth rate		3	
	2.13. Life expectancy at birth in year		63.3	
	2.14. Human Development Index		0.54	
Improved access to services for social care, protection, safety and equity	2.15. Access to safe water supply	Rural	67	
		Urban	72.8	
	2.16. Sanitation coverage		79.5	
	2.17. Hygiene (Hand washing)		36	
	2.18. Proportion of population accessing social insurance (%)		5	
	2.19. Universal Health insurance coverage		2	
	2.20. Percent of population receiving direct income support		0.5	
	2.21. Proportion of eligible population with access to social care services		2.1	
	2.22. Gender Inequality		0.72	
	2.23. Proportion of the population that is food secure		78.3	
Objective 3. Support the private sector to drive growth and create jobs				
Conducive environment for private sector	5.1. Manufactured Exports as a percentage of total exports		TBD	TBD

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Impact/Outcome	Indicators		Baseline FY2022/23	Targets FY2029/30
investment is created, firms are competitive and meet national, regional and international standards	5.2. Exports as a percentage of GDP		12.1	18.7
	5.3. Growth in Private sector credit		2.5	10.0
	5.4. 3.4 Tax GDP ratio		12.9	15.7
	5.5. Savings as a percentage of GDP		20.54	25.0
	5.6. Competitiveness index		48.94	
	5.7. Gross capital formation as a percentage of GDP		22.4	
	5.8. Percentage of the informal sector			
Youth, women and other categories of the labour force are empowered, innovate, develop enterprises and create decent jobs	5.9. Youth unemployment		13	
	5.10. No of Annual Jobs created		39,511	
Objective 4. Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT				
Improved transport services, connectivity and cost effectiveness usability	6.1. Proportion of paved national roads in fair to good condition		95.7	98
	6.2. Proportion of paved national roads in fair to good condition		73	90
	6.3. Percentage of district roads in fair to good conditions		69	83
	6.4. Travel time within GKMA (min/km)		4.1	3.5
	6.5. Volume of international air passenger traffic		1,709,084	2,509,084
	6.6. Volume of domestic air passenger traffic		22,511	43,217
	6.7. Freight cargo traffic in tonnes (air) - exported		38,453	78,506
	6.8. Freight cargo traffic in tonnes (air) - imported		17,148	28,286
	6.9. Freight cargo on Lake Victoria (tonnes)		96,922	170,045
	6.10. Passenger traffic by water %			
	6.11. Freight cargo by rail %		10	60
	6.12. Travel time on railway network (in hours)-Mombasa-Kampala		20	15
	6.13. Travel time on railway network (in hours) - Mwanza- Dar-Kampala		12	10
Increased access to clean, reliable, affordable and climate smart energies	6.14. Electricity consumption per capita			
	6.15. Proportion of the population households with access to electricity		56	
	6.16. Cost of electricity	Residential	23	
		Industrial large	9.8	
		Industrial-extra large	8	
		Commercial	17	
	6.17. Energy generation capacity (MW)		1254	
Increased land under irrigation	6.18. Cumulative WfP storage capacity (million m3)		47.88	
Increased penetration and usage of ICT services	6.19. Unit cost of internet (USD)		2.67	
	6.20. Internet penetration rate		24.6	
Objective 5. Strengthen good governance, security and the role of the state in development				

Impact/Outcome	Indicators	Baseline FY2022/23	Targets FY2029/30
Increased Peace, Stability, accountability and civic participation	7.1. Global Peace index (scale 1 to 5)	2.3	
	7.2. Crime rate (per 100,000)	502	
	7.3. Corruption Perception Index (100 being the best)	26	
	7.4. Democratic index	4.94	
Increased government effectiveness, access to public goods & services, and good image	7.5. Government Effectiveness Index	0.57	
	7.6. Foreign Direct Investment (percent of GDP)	2.8	3.7
	7.7. Level of public satisfaction with service delivery		

Source: National Planning Authority, 2024

4.5 Development Strategies

71. To achieve the objectives of the Plan, the following development strategies will be pursued during NDPIV period.

4.5.1 Increase production and productivity in agriculture, minerals, oil & gas, tourism, ICT and financial services

72. **Increasing production and productivity is critical as a means of supplying the required inputs for value addition and industrialization leading to increased household incomes and jobs.** Focus is on ensuring consistent production of required volumes and quality products through adoption of improved technologies and integrating STI in the production processes. Agriculture production will be increased through mechanization, improved inputs, and proper agronomical practices. For tourism the focus is on improving, developing and diversifying tourism products. Regarding ICT, the Plan aims to harness ICT as an economic opportunity and an avenue of improving national productivity by making Government and business enterprises more effective & efficient and globally competitive. Financial services are to be scaled up through innovations that will result in diverse financial products and services which will act as avenues for mobilizing resources for both public and private investments. For minerals, focus will be on exploration and extraction of commercially viable minerals, reducing informality, and improving technology of artisan miners.

4.5.2 Increase value addition in agriculture, tourism, minerals, and oil & gas

73. **Value addition is the basis for producing high value products which fetch high prices leading to increased export revenues and job creation.** The focus is on provision of the necessary infrastructure and easing the cost of value addition (e.g. electricity costs). For minerals, this includes increasing beneficiation centres. Regarding, oil & gas, key investment areas include oil refinery, EACOP as well as the petrochemical industry. For tourism, this involves harnessing STI and ICT for increased tourism productivity, grading of accommodation facilities increasing the stock and quality of infrastructure to improve tourist experiences and connectivity. Regarding agriculture, value addition will entail increased

washing facilities, post-harvest handling, storage and agro-processing facilities. For some strategic areas, Public-Private Partnerships (PPPs) will be leveraged for value addition.

4.5.3 Promote sustainable use and management of natural resources

74. **Sustainable use of natural resources is critical for sustained production, productivity and value addition.** Focus is on restoring, conserving as well as strengthening sustainable management of natural resources such as land, forests, water, and wetlands. These efforts are expected to contribute to mitigation of the effects of climate change. The strategy also prioritizes investments in sustainable technologies and green initiatives. These are expected to foster innovation and create job opportunities in sectors such as renewable energy, conservation, and environmentally friendly practices.

4.5.4 Improve access, equity, and quality of education at all levels

75. **Adequately trained and skilled human resource is critical for harnessing production and productivity.** In addition, quality education is a catalyst for innovation and progress as it fosters research and technological advancements which spill over to other key sectors of the economy. The focus is on improving education infrastructure, human resource capacity, and the policy & regulatory environment. These investments are expected to lead to more equality in society, more decent employment, and increased life expectancy.

4.5.5 Improve access, equity and quality of healthcare at all levels

76. **Health is a key component for productive workforce.** To this end focus is on prevention, control, and elimination of communicable and non-communicable diseases by implementing measures that increase access and utilization of health services (such as universal health insurance). In addition, the health infrastructure is to be strengthened through rehabilitation, equipping and construction of new facilities. These measures are expected to reduce morbidity and mortality rates and enhance the overall quality of life of the population.

4.5.6 Enhance access to Water, Sanitation, and Hygiene (WASH)

77. **WASH bolsters the preventive approach to healthcare prioritized in this Plan.** The focus is on improving access to water and sewerage services, safely managed sanitation, and improving maintenance and functionality of WASH facilities. Ensuring access to WASH will reduce the disease burden, leading to reduction in household expenditure on health, improvement in the productivity of human capital, and increase in household incomes.

4.5.7 Promote community mobilization and mindset change

78. **Community mobilization and mindset change is critical for increasing the impact of wealth creation initiatives.** It enhances participation in local economy through access and optimal utilization of government wealth creation programmes and socio-economic services**.**

Emphasis will be on leveraging education, health, cultural & creative arts, the media, family, and religious institutions to mobilize the population to participate in local economic and national development. This will ensure that resources in wealth creation initiatives (PDM, EMYOOGA) generate higher returns to the households.

4.5.8 Expand social protection safety nets

79. **Social protection is at the core of tackling vulnerability to various shocks including income loss, natural disasters, and illnesses**. Focus is on mainstreaming the various affirmative action schemes in the regional development programme & PDM and scaling up access to SAGE. This is expected to strengthen the resilience of communities against shocks, leading to inclusive social development.

4.5.9 Institutionalize human resource planning and promote industry driven skilling and training

80. **Human resource planning is critical in reducing unemployment, minimizing skills mismatches, and enhancing economic growth.** The focus is on identifying the current and future skills requirements of industries and the labor market. Through targeted interventions, and a commitment to inclusive and sustainable transformation. This will be attained through the development of National Human Resource Development Plan and integration of Human Resource Planning within the MDA & Local Government Development Plans. This approach will ensure that individuals are equipped with the relevant skills to contribute to various sectors of the economy, leading to increased productivity, competitiveness, and overall economic development.

4.5.10 Promote empowerment and livelihood programmes for special interest groups

81. **Inclusive development is a cornerstone for a peaceful and progressive society.** Special interest groups (youth, women, children, elder persons, and People with Disabilities (PWDs)) require affirmative action to increase access to social services and economic opportunities. Focus is on increasing access to economic resources and social protection by the special interest groups. Additionally, the strategy emphasizes mainstreaming and implementing gender, equity, disability, climate change, and other inclusion aspects in all policy, legal & institutional mechanisms, programs, and projects. This will ensure that these groups are provided with the necessary tools, opportunities, and support systems to participate meaningfully in decision-making processes, leadership roles, and contribute to socio-economic development.

4.5.11 Promote decent employment opportunities

82. **Decent employment opportunities are very crucial for ensuring inclusive growth, social equity, and enhancing individual welfare.** Jobs that provide adequate social protection and opportunities for personal & professional development significantly contribute to reducing

poverty levels and enhancing economic stability. Focus is on strengthening the implementation of existing employment policies, laws & strategies and enforcement of labor standards.

4.5.12 Leverage the culture and creative economy for employment and domestic resource mobilization

83. **The culture and creative industry in Uganda has significant potential for job creation, economic growth.** The creative industry entails a wide range of activities, including visual arts, performing arts, literature, music, film, fashion, design, and crafts. The industry offers a diverse range of job opportunities including but not limited to artists, musicians, writers, designers, actors, filmmakers, fashion designers and photographers. Uganda's rich cultural heritage has the potential to attract tourists interested in experiencing traditional music, dance, crafts, and other cultural expressions. This can lead to job creation in community tourism, including tour guides, event organizers, and hospitality services. To harness the potential of the culture and creative economy, the strategy focuses on providing a conducive environment (such as the fast-tracking revision and enforcement of the copyright & neighboring rights act of 2006 and the enabling infrastructure) for the creative industry to thrive.

4.5.13 Promote games and sports

84. **Games and sports are key in promoting the national image, health, employment & revenue, cohesion, and entertainment.** To harness the potential of games and sports, the focus is on promoting a comprehensive and coordinated approach to investment in sports infrastructure, sponsorship, talent identification & development, capacity enhancement of local coaches, and promotion of sports at all levels. The strategy will leverage the opportunity of hosting international tournaments such as the AFCON 2027 to not only develop the sports infrastructure but also market Uganda as a tourist destination.

4.5.14 Promote nutrition for all

85. **Nutrition security is crucial for human development and socio-economic transformation.** A well-nourished population is less susceptible to health risks thereby reducing healthcare costs, enhancing productivity, and education attainment. The focus is on nutritional education, establishment & expansion of social safety nets like food assistance programs for the vulnerable population, enhancing consumption of diverse fortified diets while ensuring reliable access to safe and nutritious food.

4.5.15 Reduce the cost of doing business

86. **Reducing the cost of doing business is vital for Uganda's competitiveness.** Lower cost of doing business not only attracts foreign investment but also fosters a vibrant small and medium enterprise sector which is crucial for employment creation. The focus is on improving the transport infrastructure (in particular railway), reducing the cost of credit by capitalizing

UDB, UDC and other public banks, improving the regulatory environment, reducing energy tariffs, among others.

4.5.16 Promote local content particularly for MSMEs

87. **Promoting local content enhances skills and expertise, technology transfer, and jobs creation.** Fostering local content supports the growth of indigenous industries and businesses by providing them with stable markets and opportunities to expand, contributing to a more diversified and resilient economy. Focus will be on fast-tracking local content legislation and building capacity of local firms to meaningfully participate in public procurement and contractual undertakings particularly in transport, energy, and extractives.

4.5.17 Increase competitiveness in regional and international markets

88. **Improving the competitiveness will enable the country to access new and exploit existing markets leading to more foreign exchange earnings and improved terms of trade.** Access to new and diverse markets will provide insurance against economic shocks. Improving the competitiveness of Ugandan exports will result in higher-quality products, more efficient production processes, and lower costs. Focus is on enhancing value addition processes, adopting advanced technologies, and strengthening infrastructure such as transport and digital connectivity to smoothen trade and reduce the cost of doing business. In addition, the country will leverage regional integration (EAC and AfCFTA), and economic and commercial diplomacy to negotiate targeted markets.

4.5.18 Strengthen public-private partnerships

89. **Public-private partnerships attract additional funding to facilitate faster accumulation of development infrastructure.** In addition, strengthening public-private partnerships brings innovation, modern technologies, and expertise to public projects; leads to knowledge and skills transfer; builds capacity; ensures the long-term sustainability of projects. Focus is on providing the right motivation to protect the public interest, while allowing investors to meet the return on the investment proportional to the risk they take. In addition, enhance the capacity and transparency of the public sector in identifying, appraising, negotiating, designing, structuring, contracting and closure of PPPs.

4.5.19 Inculcate the entrepreneurship mindset

90. **Entrepreneurship drives job creation, and household incomes.** It also boosts productivity through innovation and competition. Additionally, entrepreneurship facilitates knowledge spillover from activities of existing firms to new and innovative ones. Promoting entrepreneurship empowers marginalized groups, such as women and youth, fostering social inclusion and self-reliance. Focus is on business development services, financial literacy, innovation hubs, and incubation centers.

4.5.20 Prioritize infrastructure maintenance

91. **Regular maintenance maximizes returns on public infrastructure investments.** Neglected infrastructure results in degradation of assets leading to greater cost of reconstruction over time, compromises safety of users, and quality of services. Infrastructure maintenance ensures the longevity and efficiency of the assets in transport, energy, water, ICT, hospitals, schools, among others. Focus is on prioritizing regular scheduled maintenance of existing infrastructure, building capacity of the local construction industry, and climate proofing of existing infrastructure.

4.5.21 Develop intermodal and seamless transport infrastructure

92. **Seamless intermodal transport infrastructure is essential for enhancing economic connectivity and efficiency.** It facilitates efficient movement of goods and passengers between different modes of transport. This integration boosts both domestic and international trade by providing more reliable and faster routes. In addition, it supports regional integration and contributes to social inclusion by connecting remote and underserved areas with urban centers and economic hubs. Focus will be on implementing an integrated multi-modal transport hub consisting of the railway (SGR and MGR), water, air, and road transport.

4.5.22 Increase access to clean, reliable, and affordable energy

93. **Affordable and reliable clean energy is essential for industrialization, value addition, and competitiveness.** Additionally, it is an essential ingredient for all human activity including cooking, lighting, health, food production & storage, education, mineral extraction, and transportation. The focus is on ensuring sufficient generation and transmission to support value addition.

4.5.23 Increase access to reliable and affordable ICT services

94. **ICT plays a transformative role in boosting economic development.** Reliable and affordable ICT services enable digital entrepreneurship and improve efficiency in the productive sectors and provision of public services. ICT also enhances social inclusion by connecting remote and underserved communities, providing access to information and services and supporting education and skills development. Focus is on increasing coverage & usage of ICT infrastructure & services, integrating ICT in government systems, reducing costs of digital products & services, and supporting ICT innovations (including business process outsourcing).

4.5.24 Leverage urbanization for socio-economic transformation

95. **Urbanization leads to substantial productivity gains supported by scale, density, and agglomeration.** The proximity of businesses and industries fosters knowledge spillovers and collaboration enhancing efficiency and encouraging the development of new products and

services. Dense urban environments provide larger markets and reduce transaction costs making it easier for firms to access suppliers and customers. Additionally, urbanization attracts a diverse labor force offering a wide range of skills and expertise that can support various activities. These factors collectively create an environment conducive to economic growth, job creation, and improved living standards. To harness the opportunities presented by urbanization, the strategy focuses on closing infrastructure, social services and regulatory gaps in GKMA and strengthening physical planning in other cities.

4.5.25 Strengthen the rule of law

96. The rule of law provides a stable and predictable environment for investment, economic growth, and social progress. It ensures that citizens have equal rights and opportunities, and that their rights are protected. It also fosters trust in the government and institutions, which are essential for a functioning democracy. Focus will be on strengthening the judiciary, particularly the commercial court for timely disposal of cases to unlock the private capital locked up in the court system.

4.5.26 Consolidate and sustain peace and security

97. **Peace and security ensure an environment where businesses can thrive, and economic activities can expand without the disruptions.** A peaceful and secure environment allows for uninterrupted delivery of goods and services which bolsters steady economic progress, and provides certainty for long-term domestic & foreign investment. Focus will be on strengthening the capacity of the armed forces to keep peace, respond to security threats and emergencies, and contribute to national development.

4.5.27 Increase government investment and participation in strategic areas

98. **Public sector investment is crucial in areas of strategic importance which may not be attractive to the private sector.** Besides the provision of public goods, the Government will identify and invest in areas that are productive and strategic for national development. Such investments will unlock their potential hence attracting private sector investments. Focus will be on investment in strategic areas such as pathogen economy, pharmaceutical industry, automobile industry, extractives, and value addition to agricultural products. In addition, government will support large scale innovation and technology transfer in strategic sectors.

4.5.28 Improve capacity and accountability for implementation of public programmes

99. **Transparency and accountability ensure that public resources are used for the intended purposes and in the most efficient way**. Accountability for results is crucial for ensuring that implementing institutions meet their obligations and deliver the respective programme targets. Focus will be on sustainable procurement; eliminating middlemen from bulk procurement & developing a common price list for goods and services across government;

implementing a robust and results-based performance management system; digitization of government services at all levels; developing, updating, & enforcing service delivery standards; developing & implementing a national payment system to achieve a cashless economy; and developing and utilizing community management information systems.

4.5.29 Leverage capacity of the non-state actors to implement the national plan

100. **Non-state actors including NGOs, community-based organizations, private sector entities, and development partners play a key role in national development.** They provide financial and non-financial (such as expertise and innovative technologies) resources that complement national resources in the implementation of the national development plan. Additionally, non-state actors play a vital role in mobilizing community involvement, ensuring that initiatives are locally grounded and sustainable. Collaborating with these organizations not only diversifies the resource pool but also enhances accountability and transparency, leading to more robust and inclusive development outcomes. Focus will be on strengthening the operational mechanism of the National Partnership Forum and partnership in planning, budgeting, implementation, monitoring, & evaluation of development programmes.

4.5.30 Increase civic participation in the development process, decision making, and democratic governance

101. **Citizen participation in development is essential for ownership and successful implementation of government programs.** It enhances effectiveness and legitimacy of development efforts by incorporating diverse perspectives into the planning and implementation of initiatives. Empowerment of communities will enhance demand for accountability from and engagement of duty bearers. Focus will be on using the PDM framework to revitalize community accountability platforms (Barazas) & community service schemes (‘Bulungi bwa’nsi’); operationalization of the parish management information system; and national youth service scheme.

4.5.31 Improve international relations and commercial diplomacy

102. **Commercial diplomacy is crucial for strategically positioning the country to leverage regional and global opportunities.** Effective commercial diplomacy helps promote national interests to access markets, attract FDI, address trade barriers, navigate regional & international regulatory frameworks. Strong international relations bolster Uganda’s credibility and attractiveness as reliable partner which encourages sustainable investments and technology transfer. Focus is on development and implementation of a strategy on commercial diplomacy.

4.5.32 Sustain a stable macroeconomic environment

103. **A stable fiscal, monetary, and regulatory environment provides certainty which is crucial for steady economic growth**. It promotes competitiveness which attracts domestic and foreign investors. In addition, it helps safeguard against economic downturns and financial crises by promoting responsible economic management and governance. Focus is on fast-tracking growth the economy by maintaining macroeconomic stability through sustainable fiscal and a conducive monetary policy.

4.5.33 Increase domestic resource mobilization while exploring innovative financing options

104. **To sustainably finance the expenditure requirements for the Plan, there is a need to increase domestic resource mobilization and explore innovative financing options.** To increase tax revenue, measures will be taken to improve compliance and expand the taxbase. Specifically, Government will explore the untapped segments of commercial agriculture & agribusinesses, mining & mineral enterprises, creative arts, and informal sector enterprises. To improve tax compliance and accuracy in the filed tax returns, Government will fast-track the rolling out of digital technologies to facilitate cashless transactions. Government will also focus on strengthening administrative measures through building tax administration capacity and expanding tax audits. In addition, Government will rationalize tax expenditure regimes to minimize revenue losses. Besides tax revenue, public institutions are encouraged (coupled with building their capacity) to devise innovative ways to increase Non-Tax Revenue (NTR). To complement the tax and non-tax revenue, government will explore innovative financing options such as climate finance, capital markets, and remittances. This will require putting place appropriate policy and regulatory framework. Furthermore, measures will be undertaken to attract FDI in strategic sector. While borrowing will continue to be one of the financing sources, this will be restricted to critical areas to debt sustainability is not undermined.

4.6 National Development Programmes

105. **Eighteen (18) programmes will be implemented to achieve the goal of the Plan.** These are:

i) Agro-Industrialization;
ii) Sustainable Extractives Industry Development;
iii) Tourism Development;
iv) Natural Resources, Environment, Climate Change, Land, and Water Management;
v) Private Sector Development;
vi) Manufacturing;
vii) Digital Transformation;
viii) Integrated Transport Infrastructure and Services;
ix) Sustainable Energy Development;

x) Sustainable Urbanization and Housing;
xi) Human Capital Development;
xii) Innovation, Technology Development and Transfer;
xiii) Regional Development;
xiv) Governance and Security;
xv) Public Sector Transformation;
xvi) Development Plan Implementation;
xvii) Administration of Justice; and
xviii) Legislation, Oversight, and Representation.

106. Table 4.2 presents a mapping of the objectives, strategies, and the Programmes to deliver the goal of the Plan.

Table 4.2: Mapping of the Goal, Objectives, Strategies, and Programmes

Goal: Achieve higher household incomes and employment for sustainable socio-economic transformation		
Theme: Sustainable Industrialization for Inclusive Growth, Employment, and Wealth Creation		
Objectives	**Strategies**	**Programmes**
1. Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT, and financial services	1. Increase production and productivity in agriculture, minerals, oil & gas, tourism, ICT and financial services; and 2. Increase value addition to agriculture, minerals, oil & gas, tourism, ICT and financial services.	1. Agro-Industrialisation 2. Sustainable Extractives Industry Development 3. Tourism Development 4. Manufacturing 5. Innovation, Technology Development and Transfer 6. Natural Resources, Environment, Climate Change, Land and Water Management
2. Enhance human capital development along the entire life cycle	3. Improve access, equity, and quality of education at all levels, 4. Improve access, equity and quality of healthcare at all levels, 5. Rehabilitate, equip and construct health infrastructure at all levels, 6. Enhance access to water, sanitation, and hygiene; 7. Promote community mobilization and mindset change; 8. Expand social protection safety nets; 9. Institutionalize manpower planning and promote industry-driven skilling and training; 10. Promote empowerment and livelihood programmes for youth, women, children, elder persons, and People with Disabilities (PWDs); 11. Promote decent employment opportunities 12. Leverage the culture and creative economy for employment and domestic resource mobilization; 13. Promote games and sports; and 14. Promote better nutrition for all.	7. Human Capital Development

Goal: Achieve higher household incomes and employment for sustainable socio-economic transformation		
Theme: Sustainable Industrialization for Inclusive Growth, Employment, and Wealth Creation		
3. Support the private sector to drive growth and create jobs	15. Reduce the cost of doing business; 16. Promote local content particularly for MSMEs; 17. Increase market access and competitiveness; 18. Strengthen Public-Private Partnerships; and 19. Inculcate the entrepreneurship mindset and educate the population to invest in productive sectors like agriculture.	8. Private Sector Development
4. Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry, and ICT	20. Prioritize infrastructure maintenance; 21. Develop inter-modal and seamless transport infrastructure; 22. Increase access to clean, reliable and affordable energy; 23. Increase access to reliable and affordable ICT services; and 24. Leverage urbanization for socio-economic transformation	9. Integrated Transport Infrastructure and Services 10. Sustainable Energy Development 11. Digital Transformation 12. Sustainable Urbanisation and Housing
5. Strengthen good governance, security, and the role of the state in development	25. Strengthen the rule of law. 26. Consolidate and sustain peace and security; 27. Increase Government (both central and local government) investment and participation in strategic areas; 28. Improve capacity and accountability for implementation of public programmes; 29. Leverage capacity of the non-state actors to implement the national plan; 30. Increase civic participation in the development process, decision making, democratic governance, and socio-economic development; 31. Improve international relations and diplomacy; and 32. Sustain a suitable fiscal, monetary and regulatory environment	13. Governance and Security 14. Public Sector Transformation 15. Regional Development 16. Development Plan Implementation 17. Administration of Justice 18. Legislation, Oversight & Representation

Source: National Planning Authority, 2024

4.7 Delivery Approaches

107. The following delivery approaches have been adopted for the Plan implementation period:

i) **Deepening the programmatic approach**. To strengthen the alignment of plans, budgets, and implementation at the macro, sectoral and local government level, the programme-based approach is the overarching architecture for planning, implementation, monitoring and evaluation. The formulation of PIAPs has been decentralized to strengthen ownership and development of programme strategies, objectives, priorities, results and budgets. In addition, continuous capacity building of programme working group actors at all levels will be undertaken. A change management strategy for the programme approach is going to be fully rolled out as well as strengthening inter and intra programme coordination and follow-up;

ii) Science, Technology and Innovations as well as knowledge will be leveraged to increase innovation and productivity in all sectors and generate news sources of growth;

iii) **Mainstreaming job creation in all development key actions**. Capacity building of the programme working groups, MDAs and local governments has been and will continue to be undertaken to systematically integrate labour and employment creation in their planning, budgeting and implementation processes. This will be followed up by implementing coordination mechanisms, robust reporting and budgeting systems that account for job creation in all programme interventions;

iv) **Regional development planning**. In order to capture the peculiarities within the different regions of the country, specific regional development plans will be developed to inform planning at the local government level and to drive the Local Economic Development (LED) agenda;

v) **Deepening the quasi-market approach**. Beyond the role of providing public goods, government will also invest in strategic areas to unlock their potential to attract and crowd in private investments however, the private sector will always be the driver of growth;

vi) **Strengthening risk analysis and mitigation**. A framework for risk mitigation has been developed to guide MDAs and Local Governments in analysis and mitigation of potential risks to implementation of their plans. This will entail investment in training and provision of resources to develop capacity for risk analysis and development of strategies to mitigate the risks included in processes of planning and development. This is meant to minimize potential negative impacts and take advantage of risks on public services, operations, and resources.

vii) Full operationalization of the seven pillars of the Parish Development Model (PDM). The Parish will continue to serve as the lowest planning unit to organize and rally citizens for economic development;

viii) **Human Resource Development Planning**. Every MDA is required to develop an attendant human resource plan attendant to their strategic plan and aligned to the National Human Resource Development Plan (NHRDP). This aims to inform the development of a critical mass of skilled professionals required to deliver the Plan. In this Plan, the Human Resource needs have been classified into 3 categories as illustrated in Table 4.3

Table 4.3: Key/Definition of Gaps

Color theme	Nomenclature	Description
	Acute Shortages	Acute shortages are those education and skills fields for which the country faces critical shortages and there is limited or no training available at in the country. The demand for such educational qualifications and skills exceeds current supply and, in some cases, the demand is projected to rise sharply
	Moderate Shortages	Moderate shortages are those education and skills fields for which training is available in the country but supply is less than the current and projected Human Resource needs. The demand for such skills exists and increasing, but current and projected supply may not be adequate the meet future demands.
	Surplus/Excess supply	The Surplus/Excess Supply are education and skills fields which are relevant to national development, but the current and projected supply exceeds the current and projected demand. The country has an overabundance of workers with such qualifications/skill relative to the demand in the labor market.

Source: National Planning Authority, 2024

i) To ensure inclusive sustainable development, the Human Rights Based Approach (HRBA) to planning will continue to be pursued.

4.8 Key reforms

108. The following reforms are to be implemented for better realization of results:

i) **Sustainable pool procurement in key government procurements.** Mechanisms will be put in place to maximize value for money from public procurements along the entire lifecycle while attaining social goals and conserving the environment. This will reduce costs, promote innovation, and increase compliance to environment standards. In addition, government will deal directly with manufacturers for key and strategic procurements.

ii) **Ensuring uniformity in costing goods and services**. A common price list for all goods and services will be developed and implemented across all government entities.

iii) **Service and service delivery standards.** All government entities will be required to develop and implement their respective service and service delivery standards that are aligned with the country's long-term aspirations.

iv) **Physical planning.** All developments, projects and programmes must be in line with the National Physical Development plans. This will also be one of the criteria for project selection, approval and implementation;

v) Institutional project development & implementation and fast-track operationalization of the Project Preparation Facility;

vi) Develop and implement a national service program; and

vii) Strengthen performance measurement and a gradual implementation of pay reform.

4.9 High Impact Projects

109. Projects with high multiplier effects and direct impact for realization of the Plan's desired results are presented in Table 4.4.

Table 4.4: High Impact Projects

Project Title	Project Duration	Status	Total Cost (UGX)
P1: Value addition to Agriculture (including fisheries and commercial forestry), Tourism, Minerals, and Oil & Gas (petrochemical industry i.e. refinery and Kabalega industry park);			
Coffee Value Chain Development Project	5 years	Feasibility	263.91
Development of Water Based Eco Adventure Parks (Geothermal Spas and Resorts)	5 years	Feasibility	29
Development of Source of The Nile Project (Phase II)	5 years	Implementation	90.55
UWRTI Infrastructure Development Project	3 years	Implementation	55.55
Uganda Climate Smart Agricultural Transformation Project (UCSATP)	5 years	Ongoing	1,122.70
Support To Uganda's Mineral-Based Industrialization Project (SUMIP)	5 years	Pre-Feasibility	358.69
Hoima Oil Refinery			
Iron and Steel Plant			
P2: Infrastructure to support value addition (energy generation, transmission, & distribution, STI parks, special export processing zones, industrial parks, and EACOP) and maintenance of existing infrastructure			
East Africa Crude Oil Pipeline (EACOP)			
Midstream Petroleum Infrastructure Development Project Phase II	5 years	Pre-Feasilbility	240.4
Kiba HPP			
Oriang HPP			
Nuclear Energy Plant			
Kabale Industrial Park			
Solar powered irrigation systems	5 years	Concept	490.19
Rehabilitation And Optimisation of Nalubaale and Kiira (380 Mw) Hydro Power Plants	5 years	Feasibility	907.86
Construction Of 400kv Karuma-Tororo Transmission Line And 132kv Ntinda Substation	5 years	Implementation	949.45
Hoima - Kinyara – Kafu 220kv Transmission Line and Associated Substations Project	4 years	Feasibility	406.1
Mirama- Kikagati- Nsongezi 132kv Transmission Line and Associated Substations	5 years	Pre-Feasilbility	162.22
Masaka-Mwanza 400kv Transmission Line Project and Associated Substations (Uganda Part)	4 years	Implementation	168.48
132kv Mbale – Bulambuli – Kween Transmission Line and Associated Substations Construction Project	5 years	Pre-Feasilbility	309.55
Olwiyo – Nimule (Uganda) –Juba (Sudan) 400kv Transmission Line Project	4 years	Concept	0.07
Nkenda (Uganda) – Beni – Bunia (D.R. Congo) 220kv Transmission Line Project And Associated Substations	4 years	Concept	106.4
Upgrade of Mutundwe – Buloba – Kabulasoke – Masaka and Kabulasoke – Nkonge – Rugonjo – Nkenda 132kv Transmission Line and Associated Substation Works	5 years	Concept	0.14
Rehabilitation of Kampala – Jinja - Iganga Highway	3 years	Pre-Feasilbility	234.5

Project Title	Project Duration	Status	Total Cost (UGX)
P3: The knowledge economy (STI) including ICT. STI interventions include vaccine development & KIIRA Motors and the integration of STI across the key growth industrial value chains for increasing productivity. ICT includes digitalizing Government services such as E-government			
P4: Railways (SGR and MGR) so as to connect Uganda to regional and external markets and ease the cost of doing business			
Kampala - Malaba Standard Gauge Railway Project (Eastern Route)	6 years	Pre-Feasilbility	7,642.53
Kampala – Kasese MGR	4 years	Concept	1,800.0
Supply of Electricity to Standard Gauge Railway (SGR) Project	5 years	Concept	0.14
P5: Reduction of the cost of credit, especially through Uganda Development Bank (UDB) and Uganda Development Corporation (UDC)			
P6: Wealth creation initiatives. Full operationalization of Parish Development Model (PDM) and EMYOOGA			
P7: Cultural & creative industry and sports (including hosting of the African Cup of Nations (AFCON)			
P8: Cost effective solutions to deliver and consolidate gains in social services (health and education)			
Rehabilitation of Regional Referral Hospitals	5 years	Implementation	130
Strengthening Health Systems for Primary Health Care	5 years	Feasibility	740
Construction of New Health Units In 132 Sub-Counties, Town Councils and Divisions	5 years	Concept	
Establishment of Primary Schools in 1818 Parishes	5 years	Profile	1,473
P9: Greater Kampala Metropolitan Area (GKMA)			
Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP)	5 years	Pre-Feasilbility	2,134.87
Waste Management for GKMA			
Busega - Mpigi Expressway			
Kibuye - Busega Expressway	5 years	Concept	
Kampala - Jinja Expessway	3 years	Profile	234.5
Kampala Southern Bypass			
Upgrading of Mpigi – Kasanje – Buwaya, Nateete - Nakawuka – Kisubi and Connecting Roads (71.15km) To Paved Standard	4 years	Implementation	263.26
Project for Improvement of Traffic Control in Kampala City	4 years	Concept	95
P10: Revenue generation			

Source: Integrated Bank of Projects Data Base, MOFPED

PART III: DEVELOPMENT PROGRAMMES

CHAPTER 5: AGRO-INDUSTRIALIZATION

5.1 Introduction

110. **Agro-industrialization is vital for transforming agricultural products through value addition, thereby increasing their market value.** It provides opportunities to increase production, food & nutritional security, employment, household incomes, and stimulates rural development. It also encourages the adoption of modern farming techniques and technologies, improving overall agricultural productivity. Additionally, agro-industrialization promotes export diversification, reducing reliance on primary agricultural exports and increasing foreign exchange earnings.

111. **The Agro-industrialization programme is central in achieving the aspirations of the Plan.** Agriculture provides essential raw materials to drive the value addition agenda, bolstered by the application of STI. These raw materials are leveraged by STI to generate new sources of growth. Agro-industry development is vital for optimizing investment in value addition infrastructure (special agro-processing zones, storage facilities, and reliable energy) and cost-efficient transport such as the railway. This programme ensures the realization of the PDM by increasing production, storage, processing, and marketing for small-scale farmers. Agro-industrialization plays a pivotal role by acting as a key off-taker for agricultural produce, stimulating rural development and ensuring food security for growing urban populations. Transforming the food systems ensures a steady supply of high quality, safe, and nutritious food to the growing urban population. Agro-industry will also contribute to revenue generation through sale of agricultural technologies, issuance of permits, and production of inputs, among others.

112. **The programme is essential for attainment of global, regional, and national development aspirations.** The Agenda 2030 (SDG 2) aspires to end hunger, achieve food security & improved nutrition, and promote sustainable agriculture. Towards this, in 2021, the Food Systems Approach was launched in partnership with FAO. Agenda 2063 (Goal 5) calls for modernizing agriculture through increased production, productivity, and value addition. The EAC Vision 2050 (Pillar 2) seeks to increase investment and enhance agricultural productivity for food security and transformation of the rural economy. The Uganda Vision 2040 priorities value addition in agriculture through agro-processing.

113. **The potential of agro-industrialization to enhance value addition and increase market value of agricultural products is hindered by:** failure to prioritize agricultural value chains; insufficient value addition infrastructure; the disconnect between value addition and the production side; poor harvest & post-harvest handling; inability to sustain existing and new markets with the required volumes and quality of products; knowledge & skills gap; failure

to organize farmers into cooperatives; limited access to agriculture finance; the slow pace of de-risking agriculture; proliferation of counterfeit and low quality agro-inputs; undeveloped commercial farming to support industrial value chains; limited fertilizer use; and weak coordination, legal, and institutional framework.

114. **The goal of this programme is increased value addition in agricultural products.**

5.2 Situation analysis

115. **There have been efforts to prioritize key agricultural commodities, however, these are still many and highly variant, hindering sufficient development of the value chains.** In addition to the NDPIII 10 prioritized agricultural commodities, several other priorities have since come up including: banana, sugar, grains, fruits & vegetables, poultry meat, flowers, irish potato, hass avocado, shea nut, cashew nut, and macadamia. There are also commodities prioritized along the agro-ecological zones some of which are different from the aforementioned. Even within these zones, interventions are not focused on the selected commodities. The lack of focus has complicated the development of specific high impact value-chains. Whereas there have been efforts to develop value chains for selected commodities such as dairy, oil seed, and sugar, the lack of prioritization has led to spreading investments thinly, constraining attainment of the desired impact.

116. **There have been investments in agricultural value-addition infrastructure, however, these are inadequate and the facilities are not fully optimized.** Over 2,263 Agro-Processing Facilities (APFs) have been established across the country including the zonal industrial hubs and industrial parks and urban markets. APFs like rice hullers and maize mills have positively impacted local communities by improving the quality of processed products and enhancing access to markets, which has led to better household incomes. However, 40% of the APFs are non-functional, while over 50% are performing below capacity, signifying wasted resources. On average, all tea factories are operating below 60% capacity, the largest 9 dairy processing firms are operating at 57%; most of the coffee processing is at 40%; maize mills at 46%; fish at less than 30%; while some major abattoirs such as Bombo abattoir are operating at less than 30% of their capacity. This is partly attributed to lack of synergies leading to insufficient supply & quality raw materials, poor community road infrastructure, and unreliable & high costs of power.

117. **In particular, there is a disconnect between value addition infrastructure and the production side which further impedes value addition.** For some infrastructure such as Soroti fruit factory and Bombo abattoir, there is a mismatch between the quality and quantity of the locally produced raw materials with those required by the established infrastructure. This is attributed to lack of thorough feasibility studies that would otherwise inform the right machinery to be installed based on the current quality of locally produced raw materials, or inform the production of better quality/required varieties as plans to establish the

infrastructure are ongoing. Consequently, the established infrastructure face operational challenges due to inadequacy of the right raw material. Also, some APFs have been installed in areas where there is no raw material base to support them. For example, the establishment of an ultra-modern milk cooling facility in Bukwo.

118. **There has been improvement in harvest, post-harvest handling and storage facilities mainly in the grain and dairy industries, however, there is limited aggregation, adherence to standards, and use of inappropriate technology.** A cumulative storage capacity for grains has increased to 1,236,219 MT in the FY 2022/23 from 550,000 MT in the FY 2017/18. The increase in storage capacity is attributed to support to farmer groups from Government and partners to establish storage facilities across the country. This has contributed to a reduction in post-harvest losses for grain from 37% in the year 2017/18 to about 18.2% in the FY2022/23. Similarly, storage capacity for dairy products has increased to 3 million litres in FY2022/23 from 2.7 in FY2017/18. This is due to Government investment in several bulking and milk collection centers and trainings to increase farmer awareness of post-harvest losses. However, there is still poor harvest and post-harvest handling, especially smallholder and medium farmers, due to inappropriate technology, storage facilities, and cold chain infrastructure, transportation, & inadequate bulking centres. In addition, adherence to national and international standards is low due to lack of accreditation and traceability systems.

119. **There have been efforts to explore regional and international markets for agricultural products, however, there are still challenges of market penetration, diversification and sustainability.** The agriculture exports to total exports increased to USD1.53 billion in 2022/23 from USD0.93 billion in 2017/18, mainly due to growing export volumes of coffee, tea, maize, cocoa, fruits and vegetables, and vanilla. However, the exports remain concentrated in the EAC region, accounting for 42% of the exports. In addition, majority of these are primary products, fetching lower values. Further, there have been challenges in sustaining some of the international markets such as flowers & fish to the EU, beef to China and livestock & its products to UAE. The failure to sustain these markets has been due to the inconsistencies in the production volumes, low compliance to standards & quality requirements.

120. **There has been improvement in delivery of extension services, however, knowledge gaps among farmers persist, undermining productivity and value addition.** The proportion of households with access to agricultural extension services increased to 49% in the FY2021/22 from 11.7% in FY2017/18. However, majority of these extension workers lack training tailored to the dominant value chains in their area of operation and lack adequate logistical support to cover the entire area of jurisdiction. This is partly attributed to, ineffective & unsustainable extension approaches, and limited adoption of modern technologies, with only 20% of farmers utilizing modern agricultural technologies. Whereas ICT presents an

opportunity for quick and cost-effective provision of extension services, for example, taking advantage of the 62% access to information by the population through radio and 49% mobile phone usage, there is still low adoption of ICT-enabled agricultural extension applications partly due to low internet coverage (at 12%).

121. **More farmers have been organized through cooperatives, however, the intended benefits of cooperation have not been realized.** The number of cooperatives in Uganda has grown over years to 31,733 in FY2021/22 from 15,583 in FY2015/16, however, the majority of cooperatives are Savings and Credit Cooperatives (SACCOs) with very few production and marketing-oriented cooperatives. The over-dominance of SACCOs within the cooperative sector poses a significant challenge to the value addition agenda. While SACCOs play a crucial role in providing financial services to their members, their focus is primarily on savings and credit rather than production enhancement and market access. This imbalance results in a lack of support structures for production scaling, processing, and marketing within the cooperative framework. Consequently, farmers and agricultural producers often remain stuck in a cycle of primary production with minimal opportunities for value addition or product differentiation. The limited focus on establishing and supporting production and market-oriented cooperatives means that there is insufficient infrastructure and expertise available to help farmers process raw materials into finished products, thus missing out on potential income enhancements and more stable market positions.

122. **Progress has been made in the provision of agricultural finance, however, there are still gaps.** One of the major successes in agricultural finance in Uganda has been the expansion of financial services to rural areas through the Agricultural Credit Facility (ACF), Uganda Development Bank (UDB), and SACCOs. The loan portfolio to agricultural increased from Shs.1,127 billion in the FY 2020/21 to Shs.1,699 billion in FY2022/23. The introduction of innovative financing mechanisms like mobile money and digital platforms, have also significantly increased financial inclusion among farmers. Government is able to annually contribute Shs.5 billion as a premium towards agriculture insurance. However, there is no framework to regulate agriculture finance in the country which limits access to affordable credit for smallholder farmers. Furthermore, there are no appropriate finance and insurance packages available for the different value chain actors. Interest rates for agricultural loans remain prohibitively high making repayment difficult. High default rates, estimated at around 30% by the Bank of Uganda in 2019, have deterred financial institutions from extending more credit to the agricultural sector. As a result, only about 10% of smallholder farmers have access to formal financial services. Moreover, the agricultural insurance market in Uganda remains underdeveloped, with less than 1% of farmers having access to crop or livestock insurance, which exposes them to significant risks.

123. **Uganda has made important strides in de-risking its agricultural sector, however, the low uptake of insurance poses significant challenges**. One of the significant steps taken to

de-risk agriculture in Uganda is the introduction of agricultural insurance. The Government, in partnership with private insurers, launched the Uganda Agricultural Insurance Scheme (UAIS) in 2016, contributing premiums worth Shs.5 bn annually, which has since grown to Shs.19.8 bn in 2021. By FY2022/23, the scheme had insured over 687,608 farmers and covered approximately 130,000 hectares of crops. The insurance has provided farmers with protection against risks such as droughts, floods, and pests, and it has helped mitigate losses during adverse weather conditions. The government's subsidy, which covers 30-50% of the premium cost, has made insurance more affordable for smallholder farmers. In addition, Climate-Smart Agriculture (CSA) practices have been promoted to reduce the risks associated with climate change with over 50,000 farmers trained in CSA practices, including water conservation, drought-resistant crops, and agroforestry. However, there is low penetration of insurance products particularly in rural areas due to limited awareness among farmers about the benefits of insurance and how it functions.

124. **Effort has been made to increase fertilizer use, however uptake is still low**. Initiatives have been made to establish phosphate fertilizer production from the Sukulu hills in Tororo district but production has never kicked off due to management challenges. Government has attracted investments into a green hydrogen-based fertilizer plant to reduce dependency on costly fertilizer imports and provide more affordable and locally produced fertilizers. However, availability and affordability of fertilizers to the end users is still a challenge limiting fertilizer application. The fertilizer consumption rates range between 0.23 to 1.5 kg per hectare, which is significantly below the sub-Saharan Africa average of 8 kg per hectare. Only 10% of agricultural households in Uganda use artificial fertilizers, partly due to lack of knowledge and limited extension services specifically focused on fertilizer use (including using soil testing to guide fertilizer application). In addition, there is proliferation of counterfeits.

125. **The country faces a challenge of proliferation of counterfeits in form of seeds & planting materials, herbicides, fertilizers, resulting into low production and productivity.** Counterfeit inputs, are estimated to comprise up to 30% of the agro-inputs market, with farmers continuing to suffer losses resulting from counterfeits and banned substances that harmful to crops, animal and human health. This is compounded by the inefficient regulation and limited means of verification due to limited availability of laboratory tests. The counterfeits not only lead to low yields and quality, but also cause severe economic losses for farmers who invest in these ineffective inputs. The environmental impact is equally detrimental, with potential soil degradation and water pollution from harmful chemicals. In addition, counterfeits pose health risks to both humans and livestock due to exposure to toxic substances. Further, counterfeits undermine market trust, complicating the adoption of new agricultural technologies and modern agro-practices.

126. **The dominance of smallholder and subsistence farming poses significant challenges to the country's agro-industrialization agenda.** Only about 30% of farmers in Uganda are involved in commercial agriculture leaving 70% of Uganda's Agriculture standing on the shoulders of smallholders who are subsistence in nature. These peasants are characterized by high poverty levels and vulnerability to shocks related to weather and disease epidemics. The farmers are characterized by traditional seed systems, traditional and inferior genetics, heavily rely on rainfed agriculture and minimally use fertilizers. Over-reliance on nature means that over 60% of the farmers are vulnerable within the agriculture system and as well resort to coping strategies that destroy the environment. This persistent problem means that there are no sufficient agricultural volumes to feed into industry for value addition because farmers are primarily producing for consumption with less or no surplus for value addition and markets.

127. **Strides have been made in strengthening governance and regulation of the agro-industry, however, there are significant gaps in the legal, regulatory, and coordination framework**. These gaps are evident in the notable duplications of mandates across various institutions within the programme, which lead to inefficiencies and overlapping responsibilities. Understaffing in key agencies further hinders effective implementation and enforcement of policies, while data gaps and outdated laws limit informed decision-making and sectoral advancement. Additionally, coordination between actors is weak, with the production component failing to effectively communicate with the industry component, resulting in fragmented efforts. Moreover, the programme suffers from inadequate monitoring and evaluation, largely due to vague and poorly defined performance indicators. This lack of clarity makes it difficult to measure progress accurately and hold agro-industrialization stakeholders accountable. The absence of clear metrics undermines efforts to assess the impact of policies and programs, leading to inconsistent policy application and gaps in implementation. Compounding these issues are policy inconsistencies and the absence of necessary policies in certain critical areas such as maintenance of the tractors distributed. The programme working group, which is essential for cohesive planning and execution, inconsistently meets further exacerbating the disconnect between the various components of the agro-industry.

128. **To achieve the agro-industrialization agenda, the programme prioritizes at most three agricultural industrial value chains including coffee.** A fully developed agriculture industrial value chain should have developed primary, secondary, and tertiary industrial products. Despite all the investment done in agriculture over the years, the country can boast of only two developed agriculture industrial value chains, dairy and sugar. In the NDPIV, there will be need to develop another three including coffee.

129. **To enhance value addition to agricultural products, this programme focuses on:** development and operationalization of value addition infrastructure; strengthening harvest and post-harvest handling; enhancing production and competitiveness of agricultural products

for domestic, regional and international markets; strengthening specialized extension services; strengthening the adoption and integration of STI in agriculture; strengthening farmers field schools and cooperatives; de-risking agro-industry; eliminating counterfeits & low quality agro-inputs; and strengthening coordination, legal, and institutional framework for agro-industry.

5.3 Programme Objectives

130. The objectives of this Programme are to:

i) Sustainably increase production and productivity in agriculture;
ii) Improve harvest & post-harvest handling and storage;
iii) Develop, operationalize, and optimize value addition infrastructure;
iv) Increase access to agricultural finance and insurance;
v) Increase market access and competitiveness of agricultural products in domestic and international markets; and
vi) Strengthen coordination, legal, and institutional framework for agro-industry.

5.4 Programme Results

131. The desired high-level Programme results by the year 2029/30 are:

i) Increased Agriculture sector growth rate from 5.1% to 8%;
ii) Increased export value of priority commodities and their processed products from USD 2,453 million to USD 4.8 million;
iii) Reduced the import value of agro-based products from USD1096 million to USD 600 million;
iv) Increase the yield of priority agricultural commodities by 50%;
v) At least 60,000 jobs created by agro-processing industries/factories annually;
vi) Increased food and Nutrition security from 71 percent to 85 percent; and
vii) Increased the share of agricultural financing to total financing from 11.3% to 15%

5.5 Interventions

132. To achieve the above results, the following interventions (Table 5.1) have been prioritized under this Programme

Table 5.1: Programme Interventions

Interventions	Actors
Objective 1: Sustainably increase production and productivity in agriculture	

Interventions	Actors
1. Enhance appropriate research and genetics improvement and uptake 2. Increase access to and use of water for agricultural production 3. Produce, multiply, quality assure, and regulate seed & inputs 4. Increase the uptake of fertilizers 5. Increase access to appropriate agricultural mechanization and farm power for large-scale commercial farming 6. Strengthen farmer organizations and cooperatives ecosystems 7. Strengthen pest, vector, disease management and control 8. Strengthen the agricultural extension system 9. Strategically invest in the fisheries sub-sector and aquaculture development. 10. Incentivize both commercial large-scale and intensive small-scale farming for selected agricultural industrial value chains, including forestry. a. Prioritize scaling-up of the coffee-value chain	CDO, DDA, KCCA, LGs, MAAIF, MOLG, MoES, MTIC, MWE, NAADS, NAGRC&DB, NARO, NITAU, UCDA, OWC, UNBS.
Objective 2: Improve harvest, post-harvest handling and storage	
1. Establish appropriate post-harvest handling and storage facilities and infrastructure 2. Provide appropriate harvest, post-harvest handling and storage technologies 3. Ensure compliance to standards at harvesting, post-harvest handling and storage	DDA, KCCA, LGs, MAAIF, MoLG, MTIC, NAADS, NAGRC&DB, NARO, UCDA UNBS, OWC.
Objective 3: Develop, operationalize and optimize value addition infrastructure	
1. Operationalize and optimize existing APFs and Rural Incubation Industrial Centers 2. Establish appropriate value addition infrastructure 3. Invest in appropriate agro-processing and value addition technologies 4. Establish and ensure compliance to requisite standards	CDO, DDA, LGs, MAAIF, UDB MEMD, UDC, UFZA, NAADS, NAGRC&DB, UCDA, UWRS, NARO, UNBS, NAADS, NPA
Objective 4: Increase market access and competitiveness of agricultural products in domestic, regional and international markets	
1. Maintain, operationalize and optimize existing urban markets 2. Establish appropriate market infrastructure 3. Promote market penetration for agro-based products 4. Strengthen compliance to product quality requirements and standards	CDO, DDA, KCCA, MAAIF MOFA, MTIC, UDC, UEPB, UFZA, NAGRC&DB NARO, NPA, UCDA, UNBS, URSB
Objectives 5: Increase access to agricultural finance and insurance	
1. Strengthen the policy environment for agricultural finance and insurance 2. Promote affordable agricultural financing mechanisms 3. Scale up agricultural insurance	MAAIF, BoU, IRA, UDB, MTIC, UDC, UCDA, MoLG
Objective 6: Strengthen coordination, legal, and institutional framework for agro-industry	

Interventions	Actors
1. Improve, policy, legal and institutional framework in agro-industry 2. Improve administrative infrastructure 3. Strengthen planning, coordination, monitoring and evaluation for improved service delivery	CDO, DDA, MAAIF, MTIC, NAADS, NAGRC&DB NARO, OPM MPS, UCDA, UFZA, MWE,KCCA, MoPS, MoJCA, MoWT, MLHUD, NPA,MEMD

Source: National Planning Authority, 2024

5.6 Implementation Reforms

133. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years.

5.7 Program Human Resource Requirements

134. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed (Table 5.2).

Table 5.2: Estimated 5-year occupation and skills gaps for the Agro-industrialisation Programme

Field/Skill Area	Estimated 5-year Gaps					
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**Entry-Level Education**
Agricultural Engineering	86	106	126	128	92	Bachelor's
Agricultural Finance Experts	50	55	53	63	74	Master's
Agricultural Lawyer	150	196	202	208	214	Bachelor's
Agricultural Biotechnology Experts	20	30	40	50	60	Master's
Agricultural Risk Management Analysts	25	30	35	40	45	Master's
Livestock Nutritionists	35	40	45	50	55	Master's
Power Grid Maintenance Technicians	35	30	25	20	15	Diploma
Process Safety Engineers	48	53	58	63	68	Master's
Process Safety Management Specialists	35	40	45	50	55	Master's
Soil Science	36	51	66	72	86	Bachelor's
Veterinary Medicine	60	70	80	90	100	Bachelor's
Agricultural Machine Operators	360	340	320	300	280	Diploma
Animal Husbandry	720	840	960	1,080	1,320	Diploma
Animation and Game Development	500	600	700	800	1,000	Technical/Vocational
Dairy Science specialists	392	404	416	428	441	Bachelor's
Disaster Risk Management	311	321	330	340	350	Bachelor's
Fish Farming	870	940	960	980	1,080	Lower Secondary
Fish Processing and Preservation	267	282	261	256	230	Diploma
Fisheries Management	280	300	320	340	360	Diploma
Food and Beverage Processing	900	1,040	1,060	1,080	1,200	Diploma
Food microbiologists	258	265	273	282	290	Bachelor's
Food Science and Technology	500	600	700	800	1,000	Bachelor's
Food Science specialists/ Food Scientists	249	256	264	272	280	Bachelor's
Animal Health Specialists	482	545	620	705	798	Bachelors

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Field/Skill Area	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Veterinary Epidemiologist	208	235	267	304	344	Bachelors
Laboratory Specialists	259	294	334	380	430	Bachelors
Wild Life Medicine Specialists	185	210	239	271	307	Bachelors
Entomologist	111	126	143	163	184	Bachelors
Veterinary Doctors	200	227	258	293	331	Bachelors
Apiarists and Sericulturists	109	130	150	171	190	Bachelors
Agricultural Policy Support Staff	(210)	(190)	(170)	(150)	(130)	Bachelor's
Agricultural Processing Assistants	(300)	(280)	(260)	(240)	(220)	Diploma
Agricultural Supply Store Workers	(370)	(350)	(330)	(310)	(290)	No Formal Education
Animal Feed Suppliers	(1,120)	(1,190)	(1,260)	(1,330)	(1,400)	No Formal Education
Animal Husbandry Assistants	(107)	(164)	(184)	(214)	(234)	No Formal Education
Basic Agricultural Business Workers	(250)	(230)	(210)	(190)	(170)	No Formal Education
Basic Agricultural Data Analysts	(10)	(10)	(10)	(10)	(10)	Diploma
Basic Agricultural Data Entry Clerks	(310)	(290)	(270)	(250)	(230)	No Formal Education
Basic Agricultural Data Specialists	(50)	(30)	(20)	(10)	(10)	Diploma
Basic Agroforestry Workers	(150)	(130)	(110)	(90)	(70)	No Formal Education
Basic Agro-Processing Laborers	(200)	(180)	(160)	(140)	(120)	No Formal Education
Basic Animal Breeding Workers	(370)	(350)	(330)	(310)	(290)	No Formal Education
Basic Animal Health Workers	(410)	(390)	(370)	(350)	(330)	No Formal Education
Basic Animal Nutrition Workers	(180)	(160)	(140)	(120)	(100)	No Formal Education
Basic Aquaculture Technicians	(350)	(330)	(310)	(290)	(270)	No Formal Education
Basic Aquaculture Workers	(126)	(119)	(112)	(105)	(98)	No Formal Education
Basic Crop Breeding Laborers	(1,575)	(1,645)	(1,750)	(1,820)	(1,925)	Bachelor's
Basic Crop Maintenance Laborers	(460)	(440)	(420)	(400)	(380)	No Formal Education
Basic Crop Production Workers	(500)	(480)	(460)	(440)	(420)	No Formal Education
Basic Crop Protection Workers	(20)	(10)	(10)	(10)	(10)	No Formal Education
Sustainable Farming Techniques	(1,000)	(1,200)	(1,500)	(1,800)	(2,000)	Technical/Vocational
Subsistence Crop Farmers	(164,584)	(163,491)	(162,201)	(160,748)	(159,150)	No formal educational
Subsistence Livestock Farmers	(2,693)	(2,612)	(2,517)	(2,409)	(2,290)	No formal educational

Source: National Planning Authority, 2024

CHAPTER 6: SUSTAINABLE EXTRACTIVES INDUSTRY DEVELOPMENT

6.1 Introduction

135. **The extractives industry is a major source of revenue, infrastructure development, and economic diversification**. The exploitation of extractives provides raw materials for resource-based industrialization, generates substantial revenue through taxes, royalties, and export earnings, which can be reinvested in key areas such as education, healthcare, and infrastructure. The extractives industry stimulates the development of related industries, such as energy, manufacturing, transportation, and fosters economic diversification. Additionally, by generating employment opportunities and promoting skills transfer, the industry contributes to human capital development and poverty reduction.

136. **The extractives industry is central in achieving the aspirations of the Plan.** It provides essential raw materials to drive the value addition agenda, bolstered by the application of STI. Value addition to the extractives through beneficiation and refining can transform the economy by building primary, secondary, and tertiary industries such as petrochemical which will create new sources of growth. It also provides raw materials that will be essential for development and maintenance of priority infrastructure such as the SGR & MGR lines, GKMA roads, stadia for AFCON, STI parks, and industrial zones. The programme will contribute to revenue generation through taxes and royalties which can be reinvested in other priorities. It will facilitate the implementation of EMYOOGA through supporting the artisanal and small-scale miners.

137. **The extractives industry contributes to the realization of realization of the global, regional, and national development Agenda**. SDG (Goal 12.2) and Africa Agenda 2063 (Goal 7) seek to achieve the sustainable management and efficient use of natural resources; and (SDG 7): which targets to achieve affordable and clean energy through optimally exploiting resources. The EAC Vision 2050 (Pillar 4) seeks to invest in effective and sustainable use of natural resources to enhance value addition and management. The Uganda Vision 2040 aims to commercialize oil and gas in a feasible and sustainable manner and promoting mineral beneficiation through value addition.

138. **The potential of extractive industry to drive resource-based industrialization is hindered by:** inadequate value addition, transportation & storage infrastructure; rudimentary mining methods & informality in the mining industry; inadequate human & institutional capacity to carry out exploration, monitoring, quantification, & classification activities; limited local capacity to participate in the extractives industry; and weak legal, coordination & regulatory framework.

139. **The goal of this programme is sustainable exploitation**, **value addition, and commercialization of extractives for resource-based industrialization.**

6.2 Situation Analysis

140. **There has been progress in establishing value addition, transportation, and storage infrastructure for minerals, however, it is inadequate, underutilized, and dilapidated.** Value addition infrastructure in form of cement and ceramics factories (marble, limestone, pozzolana, feldspars, and koalin), refineries for gold, and smelting plants for iron ore and tin have been established. Two beneficiation centres have been established in Ntungamo and Kabarole districts to support value addition. Establishment of minerals analysis laboratories is ongoing to cover all the mineral resources in the country. However, these are yet to be ISO accredited and lack analytical techniques for some minerals. The processing of iron ore is hampered by high cost of importation of coal as a reducing agent and inadequate infrastructure specifically transport and energy. In regards to phosphates the established infrastructure is not operational due to internal litigation challenges. Copper mining and processing is hampered by dilapidated infrastructure.

141. **Similarly, there has been progress in establishing value addition, transportation, and storage infrastructure for petroleum, however, it is inadequate.** Construction of support infrastructure such as roads, an international airport, and water transport infrastructure. There is significant progress in development of the East African Crude Oil Pipeline (EACOP) such as land acquisition, resettlement of affected persons, and commencement of construction. Land for construction of the refinery has been acquired. A feasibility study consultant for the natural gas pipeline has been procured. However, there has been delays in construction of the refinery and its attendant infrastructure which is the basis for development of the downstream petrochemical industry. The pipeline for importation of refined products through the port of Dar es Salaam and a natural gas pipeline from Tanzania are yet to be constructed. There is limited petroleum storage capacity in the country.

142. **There have been efforts to reduce informality and increase adoption of appropriate technologies in the mining industry, however, use of rudimentary methods and informality persist.** Two mineral beneficiation centers to train and skill miners in best mining equipment use and practices have been established. The artisanal miners are being organized, registered, and licensed to undertake mining activities. Between FY2020/21 and FY2023/24, 7,530 small-scale miners were registered and 24 associations have been formed. However, the mining industry is muddled with rudimentary mining methods that have a negative implication on the environment and the safety of miners. The mining industry is majorly informal and dominated by artisanal miners making it hard to regulate the industry. These artisanal miners lack modern equipment, skills, and technology to exploit the minerals.

143. **There have been efforts to increase the stock of skilled human capital for the extractives industry, however, these are inadequate and with skills gaps.** Uganda Petroleum Institute-Kigumba has been equipped to provide internationally certified training programs in

petroleum. In addition, several other public and private institutions are providing training in geosciences and engineering courses. Through partnerships with private and development partners, 11,021 Ugandans have been trained, in both technical and vocational aspects of the petroleum industry between 2017 and 2022, with 940 attaining industry certifications. However, there are scarcities in the disciplines of geologists, geochemists, geophysicists, mining engineers, metallurgists, and entry-level & mid-level technicians & technologists. In addition, many of those trained lack internationally recognized certifications which is essential for employment in the industry.

144. **There have been efforts to increase local participation in the extractives industry, however, the capacity of locals to effectively participate is limited.** Enterprise capacity building programmes have been undertaken with over 200 MSMEs trained in business development. In addition, knowledge transfer programmes through joint ventures have enabled local companies to participate in the petroleum industry. The number of local companies on the National Supplier Database (NSD) for oil and gas increased to 1,627 in FY2021/22 from 513 in FY2017/18. Uganda companies are estimated to have supplied goods and services worth USD 1.04 billion (25%) out of the total investment in the sector by end of December 2023, up from USD 524 million in September 2022. Local companies made USD 1.7 billion (25%) through direct tier 1 contracting and USD 758 million through tier 2 subcontracting from international companies by the end of December 2023. However, the limited training, financial capacity, and access to opportunities hinders the effective participation of local enterprises. The National Local Content Fund, which was intended to ease the financial constraint of local firms is not yet operational.

145. **The legal, regulatory, and institutional capacity of the extractive industry has improved, however, gaps exist and enforcement is hindered by inadequate regulations.** The Mining and Minerals Act, 2022 makes provisions for establishment of the National Mining Company which is expected to increase national participation, optimize exploration, exploitation, and commercialization of minerals, as well as formalization and strengthening regulation of miners. The petroleum policy has been reviewed to cater for the entire petroleum value chain, however, there is no enabling legislation to establish and operationalize the local content fund. In addition, regulation of the downstream petroleum and mining industries is inadequate due to lack of coordination between the central and local governments. Further, the National Mining Company is yet to be fully operationalized and capitalized.

146. **To ensure sustainable exploitation**, **value addition, and commercialization of extractives, the programme focuses on:** increasing value addition, transportation & storage infrastructure; increasing the adoption of appropriate mining technologies & practices; formalizing the mining industry; enhancing human and local enterprise capacity to participate in and develop the extractives industry; and strengthening the policy, legal, institutional & regulatory framework.

6.3 Program Objectives

147. The objectives of this Programme are to:

i) Increase sustainable exploration, production, and commercialization of the extractives;
ii) Increase investment in value addition, transportation, and storage infrastructure;
iii) Enhance human and local enterprise capacity to participate and develop the extractives industry; and
iv) Strengthen the policy, legal, institutional & regulatory framework.

6.4 Program Results

148. The desired high-level Programme results by the year 2029/30 are:

i) Increased national storage capacity for refined petroleum products to 150 million litres from 99.1 million litres (FY2019/20);
ii) Increased oil and gas revenue to Shs.265 billion from Shs.62.98 billion;
iii) Increased contracts awarded to Ugandan firms in the oil and gas value chain to USD 3 billion from USD 2.5 billion (FY2023/24);
iv) Increased number of Ugandans employed in the oil and gas and related industries to 50,000 jobs from 3,400 jobs (FY2019/20);
v) Reduced value of imported iron and steel to USD 96 million from USD 370 million (include FY, what informed the targets)
vi) Reduced volume and value of imported inorganic fertilizers by 75% to 18,750 tonnes (USD 7.5 million) from 75,000 tonnes (USD 30 million) (Include FYs);
vii) Increased value of refined gold exports to USD 787 million from USD 450 million (include FY, what informed the targets);
viii) Increased volume of copper produced to 2, 000 metric tonnes from zero;
ix) Increased contribution of processed minerals to total manufactured exports to 7.1 percent from 5 percent; and
x) Increased number of jobs created by the programme by 10 percent annually.

6.5 Interventions

149. To achieve the above results, the following interventions (Table 6.1) have been prioritized under this Programme.

Table 6.1: Interventions under this Programme and respective actor

Interventions	Actors
Objective 1: Increase sustainable exploration, production, and commercialization of extractives	
1. increase exploration of the country's minerals and petroleum resources.	MEMD, MoFPED, PAU, UNOC, Joint Venture Partners
2. Strengthen licensing, regulation and monitoring the operations in the extractives industry	MEMD, MoWT, UCAA, UNRA, MoLHUD,

Interventions	Actors
	PAU, MWE, MoFPED, UNOC, MoICT&NG, LGs
3. Reduce the negative social and environmental impacts of the extractive industry.	MEMD, NEMA
4. Invest in the quantification of extractives	MEMD, MOFPED, NEMA, PAU,
Objective 2: Increase investment in value addition, transportation, and storage infrastructure.	
1. Construct, regulate, and monitor the development of extractives infrastructure	MEMD, PAU, UNOC, Joint Venture Partners
2. Capitalize UNOC to fully participate in the petroleum activities.	MEMD, UNOC
3. Capitalize Uganda National Mining Company (UNMC)	MEMD, MoFPED
4. Improve the security of supply of petroleum products	MEMD, UNOC, MoFPED, UPDF, UPF
Objective 3: Enhance human and local enterprise capacity to participate in and develop extractives industry.	
1. Develop and enforce a comprehensive local content policy for the extractive industry.	MEMD, PAU, UNOC, PPDA, UNMC
2. Build and strengthen capacity of local enterprises to meet the quality, quantity, and safety standards required in the extractives.	
3. Enhance utilization of local inputs in the extractives industry.	
Objective 4: Strengthen the policy, legal, institutional and regulatory framework	
1. Review and develop relevant laws and regulations for the extractives industry	MEMD, PAU, UNOC, Parliament, MoJCA
2. Strengthen human resource capacity of the extractives industry	MEMD, PAU, UNOC, MOES (UPIK)
3. Strengthen the Institutional infrastructure in extractives	MEMD, UNOC, PAU
4. Establish and upgrade management information systems for extractives	MEMD, PAU, UNOC

Source: National Planning Authority, 2024

6.6 Implementation Reforms

150. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years:

i)

6.7 Program Human Resource Requirements

151. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 6.2: Estimated 5-year occupation and skills gaps for Extractive Resources Programme

Occupation title	Status	Estimated 5-year Gaps	Entry-Level Education
Gold Processing Plant Specialists		100	Master's
Industrial Engineering specialists		650	Master's
Industrial Process specialists		172	Master's
Machine Learning Engineers		650	Master's
Mineral Resource Analysts		250	Master's
Mineral Resource Development Specialists		250	Master's

Occupation title	Status	Estimated 5-year Gaps	Entry-Level Education
Oil Refinery Operations Experts		78	Master's
Oil Refinery Safety Engineers		225	Bachelor's
Oil Well Logging Specialists		175	Bachelor's
Oilfield Environmental Engineers		600	Bachelor's
Oilfield Quality Control Specialists		225	Master's
Petroleum Geologists		700	Master's
Polymer Scientists		140	Master's
Process Safety Engineers		290	Master's
Process Safety Management Specialists		225	Master's
Process Simulation Analysts		47	Master's
Process Simulation Engineers		56	Master's
Product Design Engineers		300	Bachelor's
Robotics Engineers		250	Master's
Underground Mining Engineers		260	Master's
Biochemistry		56	PhD
Bioenergy		1,050	Technical/Vocational
Biotechnology		1,360	Bachelor's/Master's
Environmental Health		1,070	Diploma
Environmental Policy		740	Master's
Petroleum Engineering		543	Bachelor's
Physics		1,680	Bachelor's
Plumbing		2,940	Lower Secondary
Renewable Energy Policy		2,500	Master's
Renewable Energy Systems		1,137	Bachelor's
Renewable Energy Technician		4,920	Diploma
Renewable Energy Technicians		7,553	Diploma
Lawyers		(3,050)	Bachelor's
Leisure and Recreational Staff		(550)	Primary Level
Library Science		(8,090)	Diploma
Lift Operator		(911)	Bachelor's
Plumbing and Pipefitting		(7,200)	Technical/Vocational
Welders		(6,700)	Lower Secondary

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 7: TOURISM DEVELOPMENT

7.1 Introduction

152. **Tourism plays a vital role in economic development by generating significant revenue, creating jobs, and stimulating infrastructure development**. As a major source of foreign exchange earnings, tourism boosts a country's balance of payments and fosters economic diversification. It drives employment not only within the tourism sector itself such as in hotels, restaurants, and travel agencies but also in related industries, including transportation, retail, and agriculture, which supply goods and services to tourists. Further, tourism encourages investment in infrastructure such as such as roads, airports, and ICT. It also promotes cultural preservation and conservation of cultural and natural heritage. By promoting local economic development and creating opportunities for small and medium-sized enterprises, tourism contributes to broader economic stability and growth, enhancing the overall quality of life.

153. **Sustainable tourism is key to the realization of the priorities of the Plan**. Investment in quality of tourism products and services contributes to the value addition agenda. This is enhanced by supportive infrastructure, connectivity to the tourist sites, and maintenance of standards. This enhances tourist experiences, attracting high value tourists, and increasing length stay & spending, thereby increasing revenue. Effective marketing Uganda as a preferred tourism destination, is key to attract international visitors during the AFCON tournament. By acting as a key off-taker for agricultural products, the tourism industry is a catalyst for increased production which is critical for the success of PDM. The establishment of tourism circuits within GKMA will drive investments in local amenities, such as hotels, restaurants, and entertainment venues, boosting the local economy and providing better services and job opportunities for urban residents.

154. **Tourism development is critical for realization of global and regional development aspirations**. The Agenda 2030 (SDG 8.9, 11.4) emphasize the need to promote sustainable tourism for job creation, and promotion and conservation of culture & products. Africa Agenda 2063 (Goal 4) targets increasing the contribution of tourism to GDP. The EAC Vision 2050 advocates for joint interventions in highly competitive and high return tourism activities including issuance of an East African Visa, joint marketing of tourism in EAC. and standardized joint classification of hotels. The Uganda Vision 2040 identifies tourism as one of the opportunities to be harnessed for socio-economic transformation.

155. **The potential of tourism to generate revenue and create jobs is hindered by**: inadequate research and data usage; under-developed tourism products; narrow product range; inadequate tourism infrastructure; tourism skills gaps; insufficient marketing & promotion of Uganda as a preferred destination; weak enforcement of standards and regulations; and insufficient conservation and protection of natural resources.

156. **The goal of this programme is Uganda as a preferred tourist destination.**

7.2 Situation analysis

157. **Tourism is the leading foreign exchange earner and contributes significantly to employment, however, its potential has not been fully exploited.** Tourism foreign exchange earnings have increased to USD1.0 billion in FY2023/24 from USD0.4 billion in 2020/21, however, this is below the pre-COVID level of USD1.5 billion in 2018/19. Similarly, the direct employment in the tourism industry increased to 610,806 in FY2022/23 from 489,000 in 2020/21 which is also below the pre-COVID level of 671,000. The full potential of the tourism industry is hindered by several factors as highlighted below.

158. **Existing tourism attractions have not been fully developed, limiting their potential to generate revenue and employment**. There has been notable investment in key tourism sites. For instance: there has been improvement in trails, affordable climbing gear, and accommodation facilities in Mountain Rwenzori; commencement of the construction of the Kidepo International Airport and a hot air balloon services at Kidepo Valley National Park; upgrading the roads, botanical gardens and hiking trails at Bwindi Impenetrable Forest; and docking piers at the Source of the Nile. However, there are inadequacies in terms of accommodation facilities, transport connectivity, electricity, ICT, water and safety & rescue infrastructure.

159. **The country's product range is narrow and biased towards wildlife and nature partly due to lack of profiling of tourist sites**. The tourism offerings have been heavily focused on wildlife and nature tourism, which accounts for more than 75% of all tourists. Murchison Falls National Park accounts for 40%, followed by Queen Elizabeth National Park at 26% and Bwindi Impenetrable Forest at 9%. The potential of other products such as Meetings, Incentives, Conferences and Events (MICE), culture and faith-based tourism is not fully exploited. Despite attempts to profile the country's tourism potential by regions, this was incomplete, limiting identification, promotion, conservation, and preservation of regional tourist sites.

160. **There have been notable investments to increase the quantity of tourism infrastructure, however, they are inadequate and with quality gaps.** Over the NDPIII period, 6 tourism roads (251.5km) have been completed leading to Murchison falls, Queen Elizabeth and Bwindi Impenetrable National Parks. However, the last mile connectivity to these and other tourist attractions remain a challenge. Domestic flights connectivity and water transport to the various sites remains a challenge. High- end accommodation is limited and there is lack of luxury accommodation. In addition, only 35 hotels are graded, which compromises the quality of accommodation services. The country has few international standard conference centers which lack exhibition halls. There have been efforts to extend electricity to tourism sites, however, some sites including Kidepo are not yet connected and rely on generators. ICT

connectivity is also a challenge for several tourism sites. There have been efforts to extend ICT connectivity to tourist sites such as Bwindi and Murchison falls, however, other sites such as Mt. Rwenzori are unconnected.

161. **There have been efforts to increase the stock of skilled personnel in tourism industry, however, skill gaps persist.** Investments have been made towards to refurbishment of the Uganda Hotel and Tourism Training Institute (UHTTI) and the Uganda Wildlife Research Training Institute, however, their capacity is low with UHTTI currently admitting 1,000 student per year. The private sector which would have filled up this gap is also constrained in terms of capacity. Consequently, the industry is constrained by poor quality of service due to a lack of customer service skills and language barriers; deficits in management and leadership skills; technical skills shortages in IT, and digital marketing.

162. **There are efforts in research and use of data, however, these are inadequate, undermining proper targeting of markets and product development.** Through annual visitors' satisfaction, accommodation, animal count, and student tracer surveys, efforts have been made to capture data to support evidence-based tourism planning. However, there are still gaps in terms of data on tourists' behavior and preferences which hinders targeted promotion and marketing. Data capture and management is further undermined by lack of synchronization of the Tourism Information Management Systems and other systems such as Education Management Information Systems and Local Government-Based Management Systems, Labour Management Information Systems and Private Sector Information Management Systems. There is also limited effort to study the changing global market trends.

163. **Efforts have been made to strengthen Uganda's brand in key destination markets, however, marketing and promotion efforts are limited, ad hoc, and disjointed**. Initiatives such as Destination Market Representatives (DMR), domestic and international media campaign, development of the *"Explore Uganda, The Pearl of Africa,"* participation in International Tourism Expos and digital marketing have been undertaken to increase Uganda's visibility. However, these efforts have not adequately showcased Uganda's tourism potential due to lack of consistency and limited scope of global consumer campaigns. In addition, digital technology has not been adequately leveraged to market the destination. Despite the existence of the tourism marketing strategy, efforts are spread across different agencies (MOFA, UTB, MTWA) and are not in line with the strategy. Furthermore, inconsistent communication where negative news are amplified more than positive news undermines the marketing efforts.

164. **Efforts have been towards conservation of natural and cultural heritage, however, challenges remain.** There has been identification and protection of cultural sites**,** construction and equipping of regional museums, gazetting of protected areas and construction of barriers around national parks/protected areas, controlling evasive species,

sensitizing communities on the importance of conservation and enforcing the Anti-poaching law. Despite these efforts, challenges of encroachment, evasive species and degradation ecosystem habitant, human wildlife conflicts and poaching still persist.

165. **There have been efforts to strengthen enforcement of standards and regulations, however, capacity is limited.** Initiatives such operationalization of the Wildlife Act, 2019, enactment of the Museums and Monuments Act, 2023 inspection, registration and licensing of accommodation facilities, have not yielded the desired results. The weak co-ordination between the centre and local governments poses additional challenges. Some local governments do not have tourism officers to enforce the regulations. In addition, licensing of tourist operators is still centrally managed. Only 35 hotels in the country were inspected and certified for FY 2024/25 the country.

166. **In order to harness the potential of tourism for revenue generation and job creation, this programme focuses on**: increasing tourism-related research and uptake; development, improvement, and diversification of tourism products; improving tourism infrastructure (transport, trails, electricity, ICT, accommodation and MICE); reducing the tourism skills gaps; strengthening and harmonizing marketing & promotion of Uganda as a preferred destination; strengthening enforcement of tourism standards and regulations; and strengthening conservation and protection of natural resources.

7.3 Programme objectives

167. The objectives of this programme are to:

i) Promote inbound and domestic tourism;
ii) Improve the stock and quality of tourism infrastructure;
iii) Conserve, develop, improve and diversify tourism products;
iv) Develop skilled personnel along the tourism value chain; and
v) Enhance enforcement of regulation and coordination of the tourism sector.

7.4 Programme results

168. The desired high-level Programme results by FY2029/30 are:

Table 7.1: Programme results by FY2029/30

Result	Indicator	Baseline FY2023/24	Target FY2025/26	Target FY2026/27	Target FY2027/28	Target FY2028/29	Target FY2029/30
Outcome 1.1: Increased tourism earnings	1.1.1: Foreign exchange earnings (USD - Bn)	1.025	1.3	1.43	1.64	1.81	2.00

	2.1.1: Tourist's Length of stay (Nights)	7.6	8	8.5	9	9.5	10
	1.1.2: Average Inbound expenditure per leisure tourist (USD)	1,550	1,890	2,070	2,280	2,500	2,625
	1.1.3 Tourism direct contribution to Total Taxes (%)	2.1%	2.6%	2.8%	3.0%	3.5%	4.2%
	1.1.4. Domestic tourism expenditure (UGX Bn)	3,675.24	3,749	3,936.2	4,251.1	4,676.2	4,910.0

Source: National Planning Authority

7.5 Interventions

169. In order to achieve the above objectives, NDPIV will prioritize the following interventions under this program:

Table 7.2: Programme interventions and respective actors

Interventions:	Actors:
Objective 1: Promote inbound and domestic tourism	
1. Market and promote Uganda's tourist attractions. 2. Invest in Uganda's image and tourism brand. 3. Position Uganda as a Meetings, Incentives, Conferences and Events (MICE) destination. 4. Undertake and improve uptake of tourism-related research and market intelligence.	**UTB, MICT(UBC), MOFA, MTWA, UPF, UPDF, AUTO, UTA, KCCA, LGs, Academia and Research institutions**
Objective 2: Improve the stock and quality of tourism infrastructure	
1. Develop and improve tourism infrastructure (hotels, airstrips, roads, ICT, safety and rescue, water transport & ports, and electricity). 2. Improve the infrastructure along the GKMA tourism circuit and secondary cities to improve tourist experiences. 3. Develop tourism recreational zones.	**MTWA, UTB, UWA, UPDF, UPF, MoWT (UNRA), KCCA, LGs, MEMD, MoICT&NG, Private Sector.**
Objective 3: Conserve, develop, improve, and diversify tourism products	
1. Promote conservation of Uganda's natural and cultural heritage. 2. Prioritize investments in the country's priority tourism products in a sustainable way (Mt. Rwenzori, Mountain Gorillas, Source of Nile, MICE and Cultural Heritage). 3. Harness STI and ICT for increased tourism productivity	**MTWA, UWA, UWEC, Private Sector. MWE, MoICT&NG, STI Secretariat, Cultural Institutions.**
Objective 4: Develop skilled personnel along the tourism value chain	
1. Address skills and capacity gaps in the tourism and hospitality industry. 2. Strengthen the capacity of UHTTI and UWRTI.	**MTWA, UHTTI, UWRTI, Private Sector, LG, Development Partners, Academia.**
Objective 5: Enhance enforcement of regulation and coordination of the tourism programme.	
1. Enhance institutional capacity, policy, and regulatory framework. 2. Enforce standards for tourism products and services. 3. Sustain security and safety of tourists and tourist attractions.	**MTWA, UTB, UWA, UPDF, UPF, LG, MOH**

Source: National Planning Authority, 2024

7.6 Implementation reforms

170. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years:

ii) Tourism Policy (2015) is being reviewed to take care of the emerging trends. The policy focus will be on sustainable tourism development;

iii) Tourism management is to be decentralized to local Government once capacity has been built. This is meant not only to promote inclusivity but due to the fact that most of the tourist resources are located in the local Governments; and

iv) To ensure that only licensed operators, Government is going to scale up registration of tour operators, guides and facility owners.

7.7 Programme human resource requirements

171. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 7.3: Estimated 5-year occupation and skills gaps for the tourism development programme

Occupation Title	Status	Estimated 5-year Gaps	Entry-Level Education
Border Control Specialists		250	Bachelor's
Border Security Analysts		140	Bachelor's
Tourism Financial Analysts		60	Master's
Tourism Policy Analysts		150	Master's
Tourist Service Quality Assessors		60	Master's
Destination Branding Specialists		75	Bachelor's
Destination Event Planners		55	Bachelor's
Destination Marketing Analysts		350	Master's
Hospitality Training Specialists		673	Bachelor's
Tourism Marketing Specialists		300	Master's
Event Planning and Management experts		1,360	Diploma
Hotel Management Specialists		1,930	Diploma
Adventure Tourism Coordinators		580	Diploma
Tourism Guides		1,137	Diploma
Adventure Tourism Planners		800	Bachelor's
Cultural Experience Facilitators		560	Bachelor's
Cultural Heritage Management Specialists		800	Bachelor's
Tourism Development Planners		400	Master's
Tourism Resource Managers		1,137	Bachelor's
Travel Safety Analysts		580	Master's
Travel Safety Coordinators		1,881	Diploma
Commercial Cleaners		(9,000)	Bachelor's
Customer Service Representatives		(1,350)	Diploma

Occupation Title	Status	Estimated 5-year Gaps	Entry-Level Education
Event Logistics Assistants		(1,860)	Diploma
Event Planners		(700)	Bachelor's
Event Setup Coordinators		(1,250)	Diploma
Event Setup Staff		(1,200)	Primary Level
Freight Handler		(131)	Bachelor's
Front Office Managers		(3,500)	Bachelor's
General Tour Guides		(903)	Diploma
Hotel Reservation Coordinators		(110)	Diploma
Hotel Sales Representatives		(1,300)	Diploma
Housekeeping Staff		(1,400)	Primary Level
Leisure and Recreational Staff		(550)	Primary Level
Local Cultural Performers		(2,080)	Primary Level
Local Tour Guides		(850)	Diploma
Resort Service Staff		(903)	Diploma

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 8: NATURAL RESOURCES, ENVIRONMENT, CLIMATE CHANGE, LAND, AND WATER MANAGEMENT

8.1 Introduction

172. **Sustainable management and use of land, natural resources, & environment and effective response to climate change are essential for boosting productivity and value addition**. This ensures that resources such as land, forests, wetlands, and water are efficiently used, increasing their longevity and productivity. Environmental management and climate change response, preserves natural eco-systems, biodiversity and reduces the adverse effects of climate change to ensure stable conditions to support sustainable production, productivity and value addition. By implementing these practices countries can achieve a balanced resilient and sustainable development trajectory.

173. **The quantity, quality, and productivity of land and natural resources as well as effective response to climate change are central for realizing the results of this Plan.** Effective management and use of land and natural resources together with appropriate climate change response are critical for ensuring a sustained supply of raw materials for value addition. By processing and transforming raw forest materials into higher value products such as furniture, paper and bioenergy, value addition in forestry creates new income streams, increases employment opportunities and stimulates local economies. Planned use of land will help address the challenge of access to right of way for infrastructure development including industrial parks and transport, energy & housing infrastructure. This will reduce delays in and cost of infrastructure development. Effective management of wetlands, environment, and forests is crucial for creating green cities especially GKMA, with reduced pollution, improved livability, and attractive tourist destinations. Appropriate climate change response efforts can minimize operational disruptions and destruction of infrastructure due to extreme weather events, reducing development and maintenance costs. Climate change response offers an opportunity for revenue by tapping the innovative climate finance options such as carbon credits.

174. **Sustainable management and use of land, natural resources & environment and effective response to climate change are essential for attainment of global, regional, and national development aspirations.** Agenda 2030 (SDGs 6, 12, 13, 14, and 15) sets targets for combating the effects of climate change and sustainable management of water resources, land, terrestrial ecosystems, forests and the environment. Aspiration 1, Goal 7 of the Africa Agenda 2063 calls on member states to put in place measures to sustainably manage the continent's rich biodiversity, forests, land and waters and using mainly adaptive measures to address climate change risks. The EAC Vision 2050, pillar 3.4 targets sustainable utilization of natural resources, environment management and conservation with enhanced value addition. This programme draws from the Uganda Vision 2040 that aspires to attain a green and clean

environment with no water and air pollution while conserving flora and fauna and restoring and adding value to the ecosystem.

175. **The potential of land, natural resources, and the environment to drive growth is hindered by**: weak land administration and management; reduction in wetland & forest cover; vulnerability to climate change; high pollution levels; limited application of STI; limited value addition in forestry; limited capacity to tap climate finance; under valuation of natural resources; and weak institutional coordination, enforcement, and implementation of policies & laws.

176. **The goal of this programme is sustainable management and utilization of land, environment & natural resources and effective response to climate change and other disasters.**

8.2 Situation Analysis

177. **Some progress has been made in land management and administration however, this is insufficient to support the country's development agenda.** The percentage of titled/registered land has increased to 30% in FY2023/24 from 21% in FY2017/18, however, this is still low. Unresolved land conflicts reduced to 41.9% in FY2022/23 from 45.8% in FY2021/22. There has been increased digitalization of land management with establishment of an integrated data processing centre and online public portal for the Land Information System linked to the Judiciary, URA, and Building Review Board information systems However, the land sub sector is still constrained by land ownership challenges due to land injustices that have created land conflicts & unlawful evictions and inadequate land use planning & weak enforcement of land use plans. The Land Fund which was created to settle land matters is not only under resourced but mismanaged. Complex land ownership structures where a significant portion of land is held under customary tenure makes formal acquisition processes of land cumbersome and contentious resulting in delays in securing rights of way for infrastructure projects resulting in delays.

178. **Efforts to recover forest and wetland cover are yielding positive results, however, the pace of recovery is less than desired.** The forest cover has gradually increased to 13.3% in FY 2021/22 from 10.7% in FY 2010/11, however, this is less than the historical level of 24% in 1990. Most of the loss in forest cover happened on private and communal land resulting in pressure on national parks and forest reserves. Despite efforts of the private sector in driving commercial forestry, the potential of forests as a source of income including timber harvesting, non-timber forest products, eco-tourism, and value addition has not been fully exploited. The slow pace of forest recovery will increase the deficit of wood products whose demand is projected to double in the next 20 years. The carbon capture and storage function which are important for climate change regulation are threatened by the decline in forest cover. Forest management is constrained by deforestation and forest degradation driven by

unsustainable agricultural practices, illegal logging, charcoal production, and weak enforcement of forestry regulations.

179. **Similarly, the pace of recovery of wetlands is slow.** Wetlands cover increased to 9.3% in FY2022/23 from 8.9% in FY2017/18, however, this is below the 1994 level of 15.6% of total land area. The wetland restoration and conservation efforts are constrained by weak enforcement of policies and laws, limited viable alternative livelihood options, and increased encroachment attributed to unplanned urban developments and unsustainable agricultural practices.

180. **Uganda is vulnerable to the effects of climate change, with low ability to convert investments into adaptation actions**. The over reliance on rainfed agriculture which is sensitive to changes in weather patterns puts Uganda at risk of food insecurity, loss of livelihood, and shortage of raw materials for value addition. The degradation of forests and wetlands has reduced natural resilience to climate change effects. There has been some progress in reducing climate vulnerability owing to improvement in the accuracy of meteorological information to 77% in FY2022/23 from 60% in FY2017/18. However, the frequency and intensity of extreme events such as floods, droughts, and landslides has increased, which has disrupted the integrity and functionality of key ecosystems leading to loss of lives and biodiversity. Efforts to reduce vulnerability to climate change are constrained by inadequate technical capacity for climate change mainstreaming and lack of climate reliable data.

181. **There is some progress in terms of air and water quality however, the levels of pollution remain high.** There has been improvement in control of abstraction and pollution of water resources. Compliance to groundwater and surface water abstraction permit conditions increased to 78.7% and 78.6%, respectively by end of FY2023/24 from 76% and 78% in FY2017/18. However, water pollution is still widespread, with over 80% of urban water sources contaminated, exacerbated by increasing discharges of untreated wastes and indiscriminate disposal of plastics, high levels of heavy metal detected in localized areas of Lake Victoria and a proliferation of dangerous invasive water weeds such as Water Hyacinth and Kariba weed. Uganda's Air Quality Index (AQI) ranking has improved to 100 in the FY2020/21 from 147 in FY2017/18, due to increased compliance to ESIA conditions which has doubled to 80% between FY2017/18 and FY2021/22. Nonetheless, air pollution levels in urban areas, particularly in the GKMA, with particulate matter (PM2.5) concentrations averaging about 50 $\mu g/m^3$ per year which is five times higher than the safe levels of 10 $\mu g/m^3$ recommended by World Health Organization (WHO). These trends indicate a pressing need for comprehensive environmental policies and effective pollution control measures to safeguard public health and the environment especially as the country prepares to host the AFCON.

182. **Availability of adequate and reliable water for different uses is derailed by depletion and degradation of the available water resources.** The total Renewable Surface Water Resources (TRSWR) declined by 34% to 43.3 cubic kilometers in 2011 from 66.6 cubic kilometers in 1995 (MWE, 2013). In addition, the available water resources per person per annum have reduced to about 1,000 cubic meters in 2011 from 2,400 cubic meters in 1995, indicating that the country is moving from a situation of water abundance to a situation of water scarcity. Water resources management efforts have been constrained by; continued degradation of water catchments and the general environment; inadequate protection and maintenance of water bodies including river banks and lake shores; inadequate hydrological data to inform the needs for various uses; and inadequate human capacity to operate the network of water resources monitoring stations.

183. **Limited application of STI for sustainable management and use of land, natural resources, and the environment.** The government, along with academic institutions and private sector partners is promoting the use of advanced technologies such as Geographic Information Systems (GIS) for land management, precision agriculture to optimize resource use, and renewable energy technologies to reduce environmental impact. With an additional 116 extra weather stations installed, the percentage of automation of the weather and climate network has improved to 62% in FY2022/23 from 30% in FY2017/18. However, full potential of STI in achieving sustainable land, natural resources and environmental management is hindered by inadequate infrastructure and skilled professionals among others**.**

184. **Limited utilization of the climate change financing windows.** Some efforts have been made in securing funds from the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund for various projects such as sustainable land management, renewable energy, and climate-resilient agriculture. The government, in collaboration with various stakeholders, is enhancing institutional frameworks and building capacity to better access and utilize these funds. Despite these efforts, challenges remain, including capacity constraints, and the need for co-financing.

185. **The policy, legal and regulatory framework for land, natural resources and environmental management is adequate, however, enforcement is a challenge.** A number of policies, laws and regulations that support the efficient management of the environment, land, water resources, forests, wetlands, disaster preparedness & management, and response to climate change, have been developed. However, some gaps still exist. The revised National Environment Act is not yet fully operationalized. Revisions of the Water Act 1997 and the Wetland policy to address emerging issues are yet to be finalized. The Regulations for catchment-based water resources management, which will operationalize the provisions in the Water Policy, are yet to be formulated. Government has put in place an enabling institutional arrangement for the sustainable management of the environment, land and natural resources and well as climate change response. However, there still exists coordination gaps among

implementing agencies, which undermines effective management of the environment, land and natural resources. Furthermore, compliance with and enforcement of laws is low, evident from continued issuance of illegal land titles in wetlands and forest reserves.

186. **To ensure sustainable management and use of land, natural resources, & environment and effective response to climate change to support the value addition & industrialization agenda and harness economic opportunities**, this programme focuses on: strengthening land administration and management; restoration of wetlands & forest cover; reducing the country's vulnerability to climate change; reduction of air and water pollution levels; increasing research and application of STI; strengthening capacity to tap climate finance; value addition to forests & other natural resources; and strengthening institutional coordination, enforcement & implementation of policies & laws.

8.3 Programme Objectives

187. The objectives of this programme are to:

i) Ensure a clean, healthy, and productive environment;
ii) Protect, restore, and add value to forests and wetlands;
iii) Reduce vulnerability to the effects of climate change and natural disasters;
iv) Ensure availability of adequate and reliable water for different uses;
v) Strengthen land use and management; and
vi) Strengthen policy, legal, regulatory and coordination framework;

8.4 Programme Results

188. The desired high-level Programme results by FY2029/30 are:

i) Increased forest cover;
ii) Increased wetland cover;
iii) Reduced water and air pollution;
iv) Increased accuracy and frequency of weather forecasts;
v) Increased percentage of titled/registered land;
vi) Reduced land related conflicts;
vii) Increased international funding for climate change response; and
viii) Increased contribution of natural assets to the economy.

8.5 Interventions

189. To achieve the above results, the following interventions (Table 8.1) have been prioritized under this Programme:

Table 8.1: Interventions and actors under the climate change, natural resources, environment, and water management programme

DRAFT

Intervention	Actors
Objective 1: To ensure availability of adequate and reliable water for different uses.	
1. Strengthen regulation and enforcement against water pollution and degradation.	MWE, KCCA, CPC, NWSC, ATC, NEMA, NFA, UNMA, MoES
2. Strengthen sustainable water resources management.	MWE, MoFPED, GCF, WB, WRPR, NEMA, Academia, MoFPEC, MOH, DLGs, WQM, M&E, MEMD, UNRA, UNBS, IDI, ATC, NFA, UNMA, MoES, UEGCL, MAAIF, EHD, MoFA, MEACA, OPM
3. Implement ecosystem and catchment management practices.	MWE, DWRM, DEA, UNMA, DLGs, CSOs, MAAIF, MoLHUD, MAAIF.
Objective 2: To reduce emissions and vulnerability to the effects of extreme weather events, climate change and disasters.	
1. Improve meteorological services and early warning signaling to mitigate risks.	MWE, UCAA, DLGS, OPM, MEDIA
2. Promote continuous mainstreaming of Climate Change and disaster risk screening in projects, programme investments, planning, implementation, management, and reporting.	MWE, MAAIF, MEMD, MoWT, OPM, MoGLSD, MoLHUD, NEMA, NFA, UWA, NPA
3. Strengthen implementation of legal and policy frameworks for climate change action.	MWE, MoJCA,MAAIF, MEMD, MoWT, OPM, MoGLSD, MoLHUD, NEMA, NFA, UWA, LGs, MDAS
4. Strengthen Climate change adaptation, mitigation and carbon markets planning and implementation	MWE, MAAIF, MEMD, MoWT, OPM, MoGLSD, MoLHUD, NEMA, NFA, DLGs, MDAs.
5. Strengthen policy, legal and institutional coordination for effective disaster risk reduction.	OPM, MOJCA, OP, MWE, MAAIF, MEMD MOH, MLHUD, MOWT, MOES, Parliament, Academia, Media, UN Agencies and partners (CSOs, NGOs, INGOs, URCS), DLGs,
6. Strengthen institutional disaster preparedness capacity for effective response and recovery.	OPM, UN Agencies and partners (CSOs, NGOs, INGOs, URCS)
Objective 3: Protect, restore and add value to forests and wetlands.	
1. Protect and increase forest and tree coverage.	NFA, KCCA, MWE MoLHUD, and other city authorities
2. Upscale commercial forestry, including bamboo, and fully exploit value chain opportunities to maximize economic benefits and enhance climate resilience.	MWE, NFA, CSOs, DLGS and private sector
3. Strengthen regulation and enforcement against environmental pollution and degradation.	MWE, DLGS, CSOs, NEMA
4. Protect and increase the wetland cover.	MWE, MLHUD

Intervention	Actors
5. Undertake natural resource valuation and accounting to establish existing stocks, ecosystem values and future demands.	MFPED, UBOS, NPA, NEMA, MWE, Academia, MoJCA
6. Strengthen regulation and enforcement against environmental pollution and degradation.	NEMA, MWE, MoJCA, DLGs
7. Promote biodiversity conservation.	MWE, NEMA, MoJCA, DLGs, CSOs, MoFA, NGOs, MoTWA
Objective 4: To ensure a clean, healthy and productive environment.	
1. Promote circular economy.	NEMA, MWE, KCCA, UCPC, UNCST, UBOS, DLGs
2. Strengthen regulation and enforcement against environmental pollution and degradation.	MWE, NEMA, KCCA, LGs, MoJCA
3. Promote sustainable biodiversity management in within and outside protected areas.	MWE, NEMA, KCCA, LGs, CSOs
Objective 5: Strengthen land use and management	
1. Undertake Land Tenure Security Enhancement Programmes	MoLHUD, ULC
2. Establish a land banking system for foresighted infrastructure	MoLHUD, ULC, LGs
3. Promote an integrated land use planning and enforcement of the land use plans	MoLHUD
Objective 5: To strengthen policy, legal, regulatory and coordination frameworks.	
1. Strengthen programme coordination and management for efficient service delivery.	UBOS, MAAIF, MEMD, MoWT, OPM, MoGLSD, MoLHUD, MOH, MoES, NPA, NEMA, NFA, MoFPED, Academia, Private sector, CSOs, NPA
2. Integrate crosscutting issues in the programme.	MWE, UBOS, MAAIF, MEMD, MoWT, OPM, MoGLSD, MoLHUD, MOH, MoES, NEMA, NFA, OP, NPA

Source: National Planning Authority, 2024

8.6 Implementation reforms

190. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) In Line with the Rationalization of Government Agencies, the Uganda, National Meteorological Authority (UNMA) has been rationalized in the Ministry of Water and Environment. The mandate of UNMA is to provide tailored quality meteorological services on weather, climate and atmospheric pollution for socioeconomic development of Uganda. The process of rationalization of this Agency should be incorporated in this Plan;
ii) Establish environment courts within the judicial system. The backlog in courts derails judgements on environmental crimes which require swift conclusion to avert irreversible cumulative environment degradation effects that continue to occur in the face of slow court processes;
iii) Establish districts focal points for Meteorology to enhance dissemination of meteorological climate information in the local governments. Currently this responsibility falls on the

district natural resource and environmental officers who already have a wide range of tasks and this approach has proven ineffective over the years; and

iv) Revision of National policies; The National Water Policy of 1999, The National Forestry Policy of 2003 and the National Policy for the Conservation and Management of Wetland Resources 1995 and the National Environment Management Policy,1994.

8.7 Programme Human Resource Requirements

191. Successful implementation of the programme will require addressing the following Human Resource gaps:

Table 8.2: Estimated 5-year occupation and skills gaps for natural resources, climate change, land, environment, and water management programme

Occupations Title	Status	Estimated 5-year Gaps	Entry-Level Education
Environmental Engineering		960	Bachelor's
Environmental Health		450	Master's
Environmental Policy Analysts		700	Master's
Environmental Policy Researchers		48	PhD
Environmental Science Professors		52	PhD
Geographical Information Systems (GIS)		950	Bachelor's/Master's
Geotechnical Engineers		55	Master's
Industrial Engineering		650	Bachelor's
Industrial Process Consultants		172	Master's
Oilfield Environmental Engineers		600	Bachelor's
Oilfield Quality Control Specialists		225	Master's
Wind Energy experts		900	Technical
Natural Resources Management specialists		731	Bachelor's
Environmental Health		1,600	Diploma
Environmental Impact Assessment specialists		919	Bachelor's
Forestry and Tree Planting		7,100	Diploma
Natural Resource Management		4,320	Bachelor's
Plumbing technicians		5,940	Lower Secondary
Solar Energy experts		4,920	Technical
Waste Management and Recycling		4,500	Lower Secondary
Water and Sanitation Engineers		1,280	Bachelor's
Water and Sanitation Management experts		4,500	Bachelor's
Water Resource Management		2,400	Bachelor's
Plumbing and Pipefitting		(7,200)	Certificate
Road and Bridge Construction		(10,000)	Diploma
Road Construction and Maintenance workers		(10,000)	Lower Secondary
Rural Development experts		(7,200)	Bachelor's
Rural Electrification experts		(8,200)	Bachelor's
Waste Management		(8,000)	Diploma

Source: National Planning Authority, 2024

CHAPTER 9: PRIVATE SECTOR DEVELOPMENT

9.1 Introduction

192. **The private sector contributes significantly to economic development.** It drives demand for goods and services which propels investments, domestic and external trade, job creation, and innovation. By investing in diverse sectors, private enterprises enhance productivity and competitiveness, leading to increased economic output and higher standards of living. They foster innovation by investing in research and development bringing in new technologies and solutions to the market. Additionally, the private sector contributes significantly to government revenues through taxes which can be re-invested in public services and infrastructure. By creating employment opportunities, the private sector increases household incomes thus stimulating consumer spending, savings, and investment further fueling economic development.

193. **The private sector is key for realizing the NDPIV aspirations by driving growth and creating jobs.** With access to affordable, reliable and long-term financing, the private sector will spur the necessary investment, technology and expertise for value addition in the key growth areas. As off-takers of agro produce, the private sector is crucial for optimizing the returns from wealth creation initiatives like PDM, EMYOOGA by providing market and integrating grassroot farmers into the value chains. The private sector facilitates technology exchange and innovation through supporting high tech startups and diffusion of ICTs in business processes. In addition, the private sector develops and facilitates uptake of innovative financial products and collaborates with the regulators to sustain financial stability. Through job creation and investment, the private significantly contributes to revenue generation. A private sector with a strong capacity to deliver on public investment is crucial for increasing the returns in the economy.

194. **This programme contributes to the realization of global, regional, and national development agenda**. The SDG 8 & 9 seek to promote inclusive and sustainable economic growth by supporting productive activities, decent job creation, entrepreneurship, creativity and innovation. In addition, it seeks to promote formalization and growth of MSMEs through access to financial services. The Africa Agenda 2063 (Aspiration 1) seeks to achieve a prosperous Africa based on inclusive growth and sustainable development through prudent policies that foster a competitive private sector led growth. The EAC Vision 2050 (Pillar 3) provides for improved intraregional and global trade enhancing trade in goods and other services within the EAC and with the rest of the world. The Uganda Vision 2040 directs investment towards strategic areas to stimulate the economy and facilitate private sector growth.

195. **Despite its contribution, Uganda's private sector faces several challenges ranging from;** low survival and transition of MSMEs; high cost of doing business; limited capacity to access and sustain presence in key markets; a large informal sector; limited capacity of the private sector to maximize benefit from public investment opportunities; high domestic arrears owed to the private sector; limited uptake of STI; limited entrepreneurial skills and business knowledge; and weak organization & institutional capacity of the private sector.

196. **The goal of this programme is increased survival and transition of private enterprises**.

9.2 Situation Analysis

197. **Uganda’s private sector is dominated by Micro, Small, and Medium Enterprises (MSMEs), however, these are struggling with transition to the next level.** These MSMEs collectively represent around 90% of the private sector, contribute over 80% of manufactured output, and approximately 75% of the gross domestic product (GDP). Moreover, they employ more than 2.5 million people, constituting 90% of total non-farm sector employment, and comprise approximately 1,100,000 enterprises, making them significant contributors to employment in the country. The majority of these enterprises are micro (93.5%), with a smaller proportion being small (4.1%) and medium-sized (2.4%). While the informal sector is predominantly composed of micro and small enterprises, the formal sector tends to have more small and medium-sized enterprises. However, these are struggling with survival and transition to the next level. The state of the private sector is underpinned by several factors as discussed below.

198. **Uganda is one of the most entrepreneurial country in the world, however, survival and transition of MSMEs to the next level is low.** Despite the efforts by many private individuals to setup businesses, many of these fail within their first year of operation. The survival rate of business enterprises is 4.8 years, with over 60% of enterprises not being able to survive beyond 5 years. Over 50 percent of Uganda’s entrepreneurship is classified as ‘necessity-driven’ rather than ‘opportunity-driven’, meaning that many Ugandans start a business because they cannot find a suitable role in the world of work. This has serious implications for the nature of businesses and the level of firm survival. The lower level of firm survival and transition is attributed to: the inability to manage growth; inadequate capital and access to finance; demand side constraints; financial indiscipline largely characterized by financial cashflow mismanagement leading to chronic cash shortages especially for micro and small enterprises; absence of sound business plans to give direction to the business; limited management skills; failure to prioritize sound corporate governance practices; and policy contradictions and unresponsive policy environment. Attempts have been made to roll out the business development services targeting various entrepreneurial groups such as PDM SACCOs, EMYOOGA groups, MSMEs, however, there is a general lack of coordination by the service providers which leads to little impact in nurturing the entrepreneurs.

199. **The private sector is constrained by the high cost of doing business which affects its growth**. The high cost of doing businesses is attributed to high cost of finance, high cost and unreliable electricity, lack of cost-efficient transport infrastructure, inadequate logistical infrastructure, and high of cost of ICT services. There has been a reduction in the average lending rates to 18.6% in FY2022/23 from 20.3% in FY2017/18, however, this remains high relative to our regional counterparts (Kenya 15%, Tanzania 17%, and Rwanda 17%). This is largely due to the high operational costs that contribute 61% of the interest rate spreads; human capital costs; branch-related costs among others. Besides costs, MSMEs face significant bureaucratic hurdles in accessing credit including complex, stringent documentation requirements, and high collateral demands. In addition, there is underdevelopment of and underutilization of non-bank finance instruments such as insurance schemes, pension funds, equity finance, and venture capital in financing private investments.

200. **The private sector struggles to access affordable and reliable electricity, which is a key input for industrialization and value addition.** Government has made efforts to lower electricity rates in designated industrial parks; extra-large industrial users benefit from a subsidized rate of 5 cents per kWh; however medium-scale and small-scale commercial and industrial consumers still face much higher rates which are around 16-17 cents per kWh which is considerably high. In addition, the private sector is affected by frequent power outages, insufficient voltage for large consumers, and delays & high connection charges. This deters both domestic and foreign investment which undermines Uganda's attractiveness as an industrial hub.

201. **High cost of internet hinders digitalization of business transactions.** The cost of internet has reduced to USD 35 per Mbps per month in 2023 from USD 70 in 2021, however, this is still high thereby affecting uptake of digital technologies and services by MSMEs. Similarly, a lack of ICT relevant skills among many MSMEs hampers their ability to leverage ICT for efficiency and productivity gains, this is on account of low digital literacy levels across the population. Additionally, the prevailing ICT fiscal regime is stifling private sector growth and technological advancement by burdening businesses with multiple levies, hindering their ability to innovate and offer affordable digital services to consumers. For instance, a 12% excise tax applies to both prepaid and post-paid airtime and value-added services, along with an 18% VAT on all ICT items. Additionally, a 10% withholding tax is imposed on commissions for airtime distribution and mobile money services. Moreover, ICT products face a 10% import charge while corporate tax is fixed at 30%; these collectively drive up costs from services to devices, hardware, and software and therefore the general cost of doing business.

202. **A poorly developed transport and logistics services sector curtails private sector growth.** The transport and logistics value chain consist of many activities including transport, storage, handling, sorting, packaging, loading, clearing and forwarding which are central in facilitating

the movement of merchandise. Uganda's transport and logistics sector is inefficient, costing the country Shs. 3 trillion annually. At the firm level, transport and automobile expenses alone account for 17.4 % of the firms' costs. The transport and logistics sector is largely informal, the providers are small-scale, fragmented, unsophisticated and offer only one service. For instance, if an MSME has goods to transport, they must lease a container, a truck and different clearing agents at different points if the goods have to cross borders. This fragmentation of the sector leads to unwarranted costly expenses for the users (private sector) of the logistics services. Cost efficient rail and water transport modes are underdeveloped, forcing business entities to rely road transport. The road infrastructure, particularly in urban areas (GKMA) is highly congested leading to longer travel time.

203. **The Logistics Performance Index (LPI), a global performance measure of a country's logistics industry, ranked Uganda 58 out of 160 countries.** The index reflects perceptions of a country's logistics based on efficiency of customs clearance process, quality of trade- and transport-related infrastructure, ease of arranging competitively priced shipments, quality of logistics services, ability to track and trace consignments, and frequency with which shipments reach the consignee within the scheduled time. Among the key logistical indicators, Uganda's worst performance relates to poor transport infrastructure. Almost all firms (99%) use road transport to deliver the imported goods from the border points to their establishments. Road transport from Mombasa to Kampala and other points in Uganda is considered inefficient in terms of costs of transport, safety and protection of the environment. In Uganda, road transport is plagued with bottlenecks and inefficiencies, including the poor state of roads, traffic congestion along the key transport corridors leading to the GKMA region and checkpoints which increase time and cost of logistics. In addition, there is a shortage of skilled manpower in various activities of the logistics supply chain. The biggest shortage was reported to be drivers of heavy goods vehicles, cold storage managers, heavy equipment operators, and warehouse managers. Besides, the level of informality in the operations of the logistics sector is also alarming which perpetrates inefficiencies.

204. **Limited private sector capacity to maximize benefits from public investment opportunities, worsened by government arrears to local suppliers**. Despite the high number of contracts awarded to local providers, these are generally of low value, with significant contracts often going to foreign companies due to the limited financial and product quality capacities of local firms. For instance, in FY 2022/23, the proportion of procurement value awarded to local contractors reduced to 48% from 61% in FY2021/22. Government has implemented several initiatives to bolster local firms' involvement in public investment programs, including a local content implementation strategy and the Buy Uganda Build Uganda (BUBU) policy, and support from the Uganda Free Zones Authority (UFZA) and the Uganda Investment Authority (UIA), such as funding and stimulus packages, aim to support local enterprises in competing domestically and internationally, however, these have not yielded the intended results within the sector. Delayed payments from government entities further strain local businesses, affecting their ability to reinvest and grow.

205. **Uganda has been unable to fully tap the external market opportunities that are available to it.** It exports low-value commodities, primarily unprocessed agricultural goods, that lack sophistication, and are vulnerable to global price fluctuations, which make volumes and value highly volatile. The limited product range narrows Uganda's export profile, with the Middle East and Africa, particularly the EAC trade bloc, being the primary markets. These regions accounted for 70.3% (USD 9,201.08 million) of total exports between FY2020/21 and FY2022/23. This consistent concentration indicates that overall export growth has not been accompanied by a broadening of the export base. Similarly, Uganda's product standards and regulatory enforcement are weak, resulting in the prevalence of substandard products with

issues related to traceability, safety, and health which results in rejections and limit penetration to new markets. The country also struggles to meet international sanitary and phytosanitary standards, especially for animal and vegetable exports. Likewise, the high cost of certification, poor packaging, and blending further limit market access.

206. **The domestic market is characterized by a narrow and fragmented structure.** The domestic market has a growing population of 45.9 million, which offers potential boost in domestic demand. However, this is limited due to demographic challenges, low purchasing power and underutilized market opportunities. Uganda has a high age dependence ratio of 103.3, low household incomes (21.3% or about 8 million people below the poverty line), 39% engaged in a subsistence economy, and 84.9% in the informal sector. These conditions increase household vulnerability to economic shocks and create uncertainty in demand due to weak disposable incomes.

207. **Market fragmentation has undermined product distribution and competitiveness.** Inadequate market infrastructure, limited bulking and warehousing facilities, and information asymmetry remain a challenge. Similarly, there is unfair competition among traders from subsidized foreign products, counterfeit goods, and foreign traders with access to cheaper capital from their home countries which reduces the competitiveness of locally produced commodities. This is made worse by poor infrastructure such as feeder roads, railways, and ICT networks, especially in rural areas, which hampers the efficient distribution and availability of goods. This results in disruptions of domestic supply which limits the market's ability to meet potential demand. As a result of the low local production capacity, low-skilled labor, minimal value addition, and a negative perception of locally produced goods, the market relies heavily on imports, particularly intermediate inputs including machinery, petroleum, minerals, chemical products, and base metals, which account for 71.2% of the import bill, or USD 6,067 million. High import dependence places vulnerabilities in the balance of payments and currency stability.

208. **The large informal sector in Uganda negatively impacts the economy.** The informal economy in Uganda encompasses not only unregistered businesses but also informal activities within formally recognized entities. For instance, many professionals and employees engage in additional commercial activities, such as consultancies or operating commercial vehicles, which are not officially reported or taxed. This dual nature of informality within the formal sector contributes to the low productivity, survival and growth of enterprises as well as limiting effectiveness of government policy incentives. The informal sector employs 13.3 million people out of 15.5 million working population, representing about 85% of total employment. This implies that a big number of the working population are susceptible to labour exploitation.

209. **Organizations that mobilize private sector players, including cooperatives, are essential to Uganda's economic growth but they face challenges in addressing sector challenges such as collective bargaining and market access.** These organizations face obstacles like complex regulations, policy instability, and ineffective leadership within cooperatives. Issues such as inadequate capitalization, insufficient member patronage, limited market access, and poor infrastructure also undermine their effectiveness. Fragmentation among numerous small-scale entities further dilutes efforts and efficiency. To improve outcomes, strategies should include streamlining regulations, enhancing leadership and governance, increasing financial stability, improving market access, investing in infrastructure, combating fraud, educating members, and fostering collaboration among organizations.

210. **Uganda's business environment faces significant legal and regulatory challenges that hinder the full potential of the private sector.** Private sector organizations face several challenges, such as navigating a bureaucratic regulatory environment that hampers efficiency and deters investment and frequent policy changes that create uncertainty. Fraud, lack of transparency, and fragmented efforts among the private sector member organizations and associations further diminish their impact to mobilize and advocate for common interests. Specifically, cooperatives face additional hurdles such as poor corporate governance, inadequate capitalization, and limited member education, which undermine their competitiveness. In addition, weak market linkages and inadequate infrastructure for storage, handling, and processing add to these difficulties, restricting access to competitive markets and limits the growth cooperatives.

211. **To ensure a competitive private sector that drives inclusive growth and creates jobs, this programme focuses on**: reducing the cost of doing business; ensuring market access and competitiveness of goods and services; strengthening the capacity of local firms to tap into public investment opportunities; enhancing survival and growth of private enterprises; and strengthening the private sector organizational and institutional capacity.

9.3 Programme Objectives

212. The objectives of this Programme are to:

i) Sustainably lower the cost of financing;
ii) Increase market access, presence and competitiveness of Ugandan goods and services;
iii) Strengthen the organization and institutional capacity for the private sector; and
iv) Enhance institutional coordination for MDAs and other stakeholders under the private sector development program.

9.4 Programme Results

213. The desired high-level Programme results by FY2029/30 are:

i) Increased transition rate of MSMEs from XX% in FY 2023/24 to XX in FY 2029/30;
ii) Reduced average lending rates (commercial banks, DFIs, MFIs, SACCOs and Money lenders) from 18.0% in FY 2023/24 to XX% in FY 2029/30;
iii) Reduced informal sector from 54.8% in FY 2023/24 to XX% in FY 2029/30;
iv) Increased value of exports from USD 5,450.84 million in FY 2022/23 to USD XX million in FY 2029/30; and
v) Increased proportion of public contracts and sub-contracts that are awarded to local firms, from 48%in FY 2022/23 to XX% in FY 2029/30.

9.5 Interventions

214. To achieve the above results, the following interventions (Table 9.1) have been prioritized under this Programme

Table 9.1: Interventions under this Programme and respective actors

Intervention	Actors
Objective 1: To sustainably lower the cost of financing	
1. Increase access and affordability of financial services	MoFPED, CMA, IRA, MSC, UIA, UMRA, URSB, UDB
2. Capitalize and strengthen UDB, UDC and other public banks to provide low interest loans	MOFPED, UDB, UDC
3. Implement financial literacy programs	MoFPED, CMA, IRA, MSC, URBRA, ENT UG
4. Promote the integration of environmental, social, and governance (ESG) criteria in financial services	MOFPED, CMA, IRA.MSC, UMRA, MoFPED,
5. Strengthen the financial inclusion pillar of PDM	MoFPED
6. Promote use of security interest in movable assets in MSMEs	URSB
7. Support retirement scheme for non-salaried/micro-pension scheme to mobilize financing for private sector	URBRA
8. Implement strong consumer protection measures, including regulations, dispute resolution mechanisms, and awareness campaigns to ensure the fair and responsible provision of financial services	IRA, UMRA, MoFPED
9. Provide decentralized government services to the private sector through the one-stop centre	URSB and UIA
10. Leverage the use of technology in delivering financial services	UDC, IRA, UMRA, URBRA, CMA
11. Develop and implement, credit information systems and synchronize with other information management systems to facilitate responsible lending and borrowing, promoting financial stability	UMRA, URSB, MOFPED
Objective 2: To increase market access, presence, and competitiveness of Ugandan goods and services	
1. Establish modern packaging and branding industries and services to support marketing exports	UIA, URSB, MTIC, UNBS
2. Promote certification for MSMEs for market access	UIA, KCCA, MTIC, UNBS, ENT-UG

Intervention	Actors
3. Support the access and enforcement of standards to provide decentralized services to the private sector	UNBS
4. Establish logistical centres and services such as storage and distribution to support value addition in key external markets	UIA, UNBS, KCCA, cities and Municipalities
5. Support the development of free zones and special economic zones.	UFZA
6. Implement trade facilitation strategies	MEACA, UEPB, MTIC, UIA, MOFPED, MOGLSD
7. Undertake strategic investments to de-risk trade in volatile markets like South Sudan, DRC	MEACA, MTIC, MOFPED
8. Strengthen gender mainstreaming mechanisms in private sector enterprises to improve equality and equity in market access and competitiveness.	MoGLSD
9. Leverage economic and commercial diplomacy to negotiate targeted markets for the country's exports	MEACA, MoFA and Missions Abroad, UIA, UEPB
10. Implement digitalisation strategies	MOFPED, CMA, UMRA, URBRA, URSB, MTIC, UIA, IRA
11. Investment promotion	UIA
12. Expand the sectors under the reservation schemes (action)	PPDA, ENT UG
13. Build and strengthen capacity of local contractors and companies	PPDA, URSB, MoFPED, MTIC, UIA,
14. Eliminate anti-trade practices	MTIC, UFZA,
15. Increase distribution of local products	MTIC
16. Enforcement and compliance to local content policy in free zones and industrial parks	UFZA, UIA
17. Enhanced utilization of local inputs in production in priority sectors	MTIC
18. Increased local firms access and usage of free zones and special economic zones.	UFZA, UIA, MOFPED
Objective 3: To Strengthen the organisational and institutional capacity for the private sector	
1. Roll out business development services (BDS) to support small and micro industrialists and business establishments.	MSC, MTIC, ENT-UG, UIA, MOFPED, UIRI,
2. Strengthen insolvency and corporate rescue frameworks	URSB, MoFPED
3. Continuously assess the effectiveness of entrepreneurship development programs	MTIC, MEACA, NPA, MoFPED, ENT UG
4. Increased functionality of business associations including UMA, USSIA, UNCCI, PSFU, KACITA, FSME, etc.	MoTIC,
5. Foster partnerships between universities, research institutions, and private enterprises to encourage innovation	UIA, UIRI, ENT UG, MoFPED, UFZA
6. Establish and support start-up and business incubators and accelerators that provide entrepreneurs with resources, mentoring, and workspace	UIRI, UNCST, URSB,
7. Promote formalisation and business registration	URSB, MTIC, PSFU, MoGLSD,
8. Simplification of business processes	URSB
9. Strengthen partnerships between local governments, MDAs (URA, URSB) and private sector to streamline formalisation regimes	MoLG, URSB, LGs
Objective 4: Strengthen Institutional Coordination for private sector development	
1. Strengthen Institutional Coordination	All PSD MDAs

Source: National Development Plan, 2024

9.6 Implementation reforms

215. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Adopt the use of National IDs instead of Financial Cards for accessing financial services;
ii) Harmonizing EAC legal frameworks to remove NTBs;
iii) Provide for harmonization and integration of business registration systems at all levels of Government (Central and local Government);
iv) Adopt the securitization of copyrights in the creative and cultural industry; and
v) Creation of a conducive tax regime favoring the culture and creative industry.

9.7 Programme human resource requirements

216. This programme does not have specific human resource requirements due to its cross-cutting nature and enabling role in Plan implementation. Therefore, the private sector human resource requirements are integrated in the other development programmes.

CHAPTER 10: MANUFACTURING

10.1 Introduction

217. **Manufacturing catalyzes industrialization through secondary and tertiary value addition, fostering innovation, and creating sustainable economic opportunities.** By transforming primary and semi-processed raw materials into higher level products, manufacturing improves competitiveness, diversifies the economy, enhancing self-sufficiency & economic resilience, enhances export revenues and job creation. Due to agglomeration, manufacturing potentially promotes clusters of businesses that benefit from shared resources, specialized labor markets, and efficient supply chains. It also creates backward and forward linkages with other sectors such as urbanization, infrastructure, social services in education and health, science and technology, among others. In addition, development of the manufacturing sub-sector has been proven to be the main contributor to structural transformation.

218. **This programme is vital for accelerating growth towards realization of the results of the Plan.** It enhances the industrial value chains by building on primary value addition in agriculture and minerals to develop secondary and tertiary industries. By leveraging science technology and innovation, manufacturing provides new industries and sources of growth**.** Development of manufacturing sector is vital for optimizing investment in other infrastructure like energy, railway, industrial parks, and ICT. In addition, manufacturers attract and offer social services such as education, health, urbanization, and commercial services.

219. **Manufacturing is essential in the pursuit of the aspiration of Agenda 2030, Africa Agenda 2063, EAC Vision 2050, and the Uganda Vision 2040.** SDG 9 emphasizes the need to promote inclusive and sustainable industrialization and to foster innovation. Aspiration 1 of the Africa Agenda 2063 aims to transform Africa's economies through beneficiation of natural resources, manufacturing, industrialization, and value addition. The EAC Vision 2050 advocates for leveraging industrialization for structural transformation and improved intra-regional and global trade. The Uganda Vision 2040 emphasizes the need to develop industries that utilize the local potential, establishing economic lifeline industries, and investing in strategic industries.

220. **The potential of manufacturing to catalyze industrialization is hindered by:** inadequate infrastructure for manufacturing; limited capacity to sustainably supply quality raw materials and intermediate inputs; limited adoption and integration of STI in manufacturing; high cost of manufacturing; low capacity utilization due to low export demand for manufactured products; inadequate skills; dumping & counterfeit products; anti-competitive practices; disconnect between industry, academia, and research institutions; low compliance with standards; and weak policy, legal & institutional framework.

221. **The goal of this programme is increased secondary and tertiary manufacturing.**

10.2 Situation analysis

222. **The manufacturing sub-sector is dominated by light and small-sized industries that are struggling to transition to medium and heavy industries.** The light and small sized industries account for over 80% of the total number of industries. Most of these industries are mainly engaged in primary processing such as food processing, textiles, clothing, mineral processing, petrochemical, and footwear. However, these industries are constrained by several factors which hinder their transition.

223. **There has been investment in establishment of industrial parks and free zones, however, they still do not fully meet the approved guidelines for developing Uganda's industrial parks and free zones.** Of the planned 25 industrial parks countrywide, only 6 are operational and none fully meets the guidelines. However, the guidelines were developed after some of the existing parks were already in place. These have affected the competitiveness of the parks in attracting investors and the manufacturers themselves. Additionally, the functional free zone in Entebbe is currently undergoing completion with sites in Kaweweta and Arua identified for development but still lack detailed plans and land titles.

224. **Progress has been made in backward integration of some manufacturing chains, however, the local supply chain is underdeveloped, leading to overreliance on imported intermediate inputs.** By leveraging STI, some value chains such as iron and steel, phosphates & fertilizers, and sugar have made in-roads in development of intermediate inputs. The proportion of intermediate inputs in total imports has reduced to 52.6% in FY2021/22 from 57.4% in FY2019/20, however, this is still high. The reliance on imports of intermediate goods is due to limited exploitation of the primary raw materials especially mineral ores like iron ore, copper, gold, carbonites, silica, phosphates, cobalt among others. Additionally, agro-processing in Uganda is hampered by inadequate quantities and inconsistent quality of locally sourced raw materials. This shortage impacts the production capabilities and limits the growth of these industries, further driving the need for imports. Import of intermediate goods weakens the connection between manufacturers and local suppliers, limiting domestic economic benefits, stifling innovation and skill development, reducing job creation and preventing the full development of the local supply chain.

225. **There is some progress in adoption of STI in manufacturing, however, uptake and transfer is still low.** Industries such as steel, pharmaceuticals, sugar, dairy, cassava and automotive, have leveraged STI to diversify their product range and competitiveness. For instance, some of the leading fast-moving consumer goods (FMCG) manufacturers have streamlined their production processes, reduced downtime and improved product quality through automation of their production lines. Similarly, the steel industry has integrated cutting-edge machinery for steel rolling and fabrication which has increased their production

capacity and reduced waste. The beverage industry has also embraced modern technologies and automated packaging systems, which have boosted production efficiency and product consistency. However, the level of technology uptake and transfer is still low, hindering production of medium and high-value manufactured products which has stagnated at 11% for the past 10 years. As a result, high-technology exports (% of manufactured exports) is low at 2.3%. The low adoption of STI is partly attributed to limited technology transfer support structures, limited absorptive capacities for knowledge and technology in firms and industries, and few technology and incubation centers. Further to this very limited research output is patented or commercialized and yet these can be game changers and further improve efficiencies, product diversification as well competitiveness.

226. **Imports are dominated by products in which there is either commercially viable raw materials, activity in primary manufacturing or several MSMEs operating in them.** With 60% of Uganda's enterprises being MSMEs and contributing to 80% of GDP, it is important that the anchor program industries are concentrated towards supporting them. The key import drivers for include; iron & steel products, copper & copper products, textile & garments, clinker &cement, pharmaceutical products and refined sugar& confectionery which industries already exist at different stages of development based on available raw materials and actors. The automotive industry and petrochemical industries show promise after heavy investment and interest by state through Uganda National Oil Company and Kira Motors Corporation and significant number of private sector actors. With 70% of the economy being agriculture dependent coupled with low productivity from agriculture, the phosphate deposits in Sukulu would support consistent production of raw materials. With 60% of manufacturing being agro-based, there is insufficient quality packaging options available to allow longer shelf life and market branding requirements to meet sophisticated market requirements.

227. The low levels of electrification, increase in investment in electronics like motors, pumps, transformers, conductors would require investment in the copper value chain to provide inputs which are wholly imported despite presence of copper deposits in Kasese. 20% of pharmaceutical products are fully locally manufactured especially syrups. Key ingredients are glucose, pharmaceutical starch and some active ingredients whose local production can be supported.

228. **Efforts have been made to reduce the cost of manufacturing; however, it remains high.** The introduction of a declining block tariff for large industrial consumers and pilot special tariff for industrial parks (Kapeeka and Buikwe) in January 2022 led to a reduction in the cost of power to USD 6.3 cents from USD 9 cents, however, this is still higher than the desired USD 5 cents. Medium and larger industries pay even higher cost at USD 7.1 cents and USD 11.8 cents respectively. There has been a reduction in the turnaround time for clearance of goods at customs points to 2-4 days in 2023 from 18-21 days in 2014 in the northern corridor due to the establishment of one stop border points. Nonetheless, transport costs remain high

due to underdevelopment of cost-effective mode of transport such as railway and water. The capitalization of Uganda Development Bank (UDB) and Uganda Development Corporation (UDC) has enabled manufacturers to access long-term capital. However, the cost of credit, averaging 16-20%, is high thereby affecting competitiveness in the manufacturing sub-sector.

229. **There has been investment in skills development, however, certified skills for manufacturing are inadequate.** Besides, Universities and Technical, Vocational Training (TVET) Institutions, there have been investment in other skills development initiatives such as the presidential skilling hubs to increase the stock of skills relevant for the industrial sector. However, the training programmes are not satisfactorily responding to the needs of manufacturing. Only 14% of the laborforce in manufacturing has formal training in technical and vocational skills necessary for advanced manufacturing processes. This deficiency results in a limited pool of skilled workers capable of operating modern machinery and employing contemporary production techniques, leading to lower productivity and stifling innovation. This lack of expertise increases dependency on foreign professionals, raises production costs, and reduces competitiveness.

230. **There is a legal and institutional framework to support fair competition, however, dumping and counterfeit products persist, undermining competitiveness of the local manufacturers.** Despite the existence of The Competition Act 2024, their enforcement has been low. Consequently, local manufacturers continue to face competition from the low priced foreign dumped and counterfeit products especially in the textile and agricultural sectors.

231. **The low compliance with standards further undermines competitiveness in domestic and international markets.** Despite having standards, low compliance with standards in the manufacturing sub-sector presents a significant challenge stemming from weak enforcement mechanisms and systemic inefficiencies. There is an evident need to improve the capacity of both the regulators and the industrialists to increase the quality of Manufactured output.

232. **The disconnect between industry, academia, and research institutions impedes innovation and growth.** In the manufacturing sub-sector, a significant disconnect exists between industry, academia, and research, impeding innovation and growth. Industries often face challenges in accessing the latest research and technological advancements due to weak collaboration with academic institutions and research bodies. Over 500 research papers related to manufacturing are published annually by Ugandan universities but less than 20% are utilized by industry. Over 70% of research and innovation outputs from universities and research institutions do not translate into commercial applications, as there are limited channels for effective knowledge transfer and commercialization. This gap hinders the development of homegrown solutions to local manufacturing challenges and slows down the

adoption of cutting-edge technologies that could boost productivity and competitiveness in the sector.

233. **Low capacity utilization due to low export demand for manufactured products.** Despite Uganda's progress in increasing exports, the proportion of high value-added manufactured goods remains low. In 2023, Uganda's total exports reached approximately $6 billion, yet manufactured goods accounted for only about 20% of this total. High value-added products, which include items like processed foods, machinery, and electronics, made up an even smaller fraction, reflecting a reliance on primary commodities such as coffee, fish, and minerals, which together constituted around 70% of exports. This low proportion of high-value manufactured goods highlights the need for greater investment in industrialization and value addition to enhance Uganda's export competitiveness and drive sustainable economic growth.

234. **There exists a policy, legal, and regulatory environment coupled with a structured institutional framework to support manufacturing and trade, however, some gaps in implementation and enforcement exist.** The Industrial Licensing Act, 1969, still needs to be amended, with proper licensing of industries effected; the Accreditation Services Act, 2021, and the Competition Act, 2024, were enacted to break technical barriers to trade and enhance market fairness but are yet to be suitably enforced, with development of their respective regulations still pending; Other sector-specific laws like the Sugar Act Amendment, the Alcoholic Drinks Control Bill, Scrap metal Bill, Consumer protection Bill, Trade Remedies Bill, Local content Bill etc have faced multiple revisions and still need to be pushed through. Furthermore, the institutional capacity of the Ministry of Trade, Industry and Cooperatives, Uganda National Bureau of Standards, Uganda Industrial Research Institute and Management Training and Advisory Centre needs to be augmented for effective policy implementation and support to both new and already existing industrialists, while ensuring that support from Uganda Development Corporation, Uganda Development Bank and all other private banking institutions is readily accessed by manufacturers.

235. **To increase secondary and tertiary manufacturing, this programme focuses on:** strengthening capacity of industry to advance secondary and tertiary manufacturing; accelerate development and use of research innovations and adoption of appropriate technologies for secondary and tertiary value addition; strengthening collaboration between industry, academia, and research institutions; ensuring market access and competitiveness of Uganda’s manufactured products; and strengthening the policy, legal & institutional framework for manufacturing.

10.3 Programme Objectives

236. The objectives of the manufacturing programme are to:

i) Develop the requisite infrastructure to support secondary and tertiary manufacturing.
ii) Enhance sustainable secondary and tertiary value addition in priority areas
iii) Enhance the adoption of appropriate technologies for secondary and tertiary value addition.
iv) Support market access and development for manufactured products.
v) Strengthen the policy, legal & institutional and coordination framework to support manufacturing.

10.4 Programme Results

237. The desired high-level programme results by FY2029/30 are:

i) Increased value of manufactured goods;
ii) Increased linkages among primary, secondary, and tertiary enterprises in priority areas;
iii) Increased value of manufactured exports; and
iv) Increased industry capacity utilization.

10.5 Interventions

238. To achieve the above results, the following interventions (Table 10.1) have been prioritized under this Programme

Table 10.1: Manufacturing programme interventions and respective actors

Intervention	Actors
Objective 1: Develop the requisite infrastructure to support secondary and tertiary manufacturing	
1. Develop and maintain infrastructure in free zones and industrial parks a. Energy b. Transport infrastructure c. Water for industrial production d. ICT e. Waste management infrastructure	UIA, MTIC, UFZA, UNRA, MEMD, MoWT, NEMA, NITA-U, MWE, LGs
2. Promote private sector investment in development of manufacturing infrastructure.	UIA, MTIC, UFZA, UNRA, MEMD, MoWT, NEMA, NITA-U, MWE, UNBS, LGs, Private Sector
Objective 2: Enhance sustainable secondary and tertiary value addition in priority areas	
1. Strengthen backward and forward linkages for primary and semi-processed products	UIA, MTIC, MEMD, MAAIF, UFZA, UNBS, LGs, Private Sector
2. Support production efficiency and environmental sustainability of priority areas a. Promote resource efficient and cleaner production b. Support access to financing from green and innovative schemes	UIA, MTIC, MEMD, MAAIF, UFZA, UNBS, LGs,MFPED,MWE Private Sector
Objective 3: Enhance the adoption of appropriate technologies for secondary and tertiary value addition.	
1. Promote acquisition and use of appropriate technology	UIA, MTIC, MEMD, MAAIF, UFZA, UNBS, LGs, Private Sector, MTAC

Intervention	Actors
2. Incentivize on-job training program for critical skills.	MTIC, MoFA, MoES,
3. Support a technology acquisition for manufacturing in strategic areas	UDB, MoFPED, MTIC, STI-OP
4. Support linkages in the automobile and pharmaceutical industries.	STI-OP, MTIC,NPA, Academia, UMA
Objective 4: Support market access and development for manufactured products	
1. Facilitate access of manufactured goods to regional and continental markets a. Expand the range of and enforce manufacturing standards b. Support the national conformity assessment system to attain accreditation. c. Promote e-commerce	MTIC, UEPB, Private Sector, MoFA, UNBS, MoH, MoFA, MEMD, MAAIF, MEACA, ICT and National Guidance
2. Support the development and functionality of special economic zones	MTIC, UNBS, UFZA, MoFPED, LG, URA,
3. Promote consumption of locally produced goods	Private Sector, UNBS, UGANAS, ICT and National Guidance
Objective 5: Strengthen the policy, legal & institutional and coordination framework to support manufacturing	
1. Review, develop and enforce policies and laws to support manufacturing	MTIC, MoJCA, OP, MoIA, MEACA, Private Sectors, CSOs
2. Strengthen planning, monitoring, coordination, and management of manufactured products	MTIC, UMA, NPA
3. Promote health, environment and social safeguards	MTIC, MoGLSD, Private sector
4. Strengthen the human and institutional capacity for manufacturing	MTAC, MTIC, Academia, STI-OP
5. Foster and leverage local, regional and international partnerships	MoFA, MEACA, Development partners

Source: National Planning Authority, 2024

10.6 Implementation Reforms

239. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years:

i) Prioritize on the nine (9) areas of iron & steel, cement, phosphates, copper, packaging, pharmaceuticals, starch, sugar, and textiles; and
ii) Create a productivity center to support manufacturing.

10.7 Programme Human Resource Requirements

240. Successful implementation of the programme will require addressing the following Human Resource gaps:

Table 10.2: Estimated 5-year occupation and skills gaps for the Manufacturing Programme

Occupational Title	Status	Estimated 5-year Gaps	Entry-Level Education
Advanced Process Analysts		595	Master's
AI Research Scientists		700	PhD
AI Systems Engineers		202	Master's
Big Data Analysts		450	Master's
Biomedical Engineering		992	Bachelor's
Tooling Engineers		400	Master's
Cloud Computing Specialists		450	Bachelor's

Occupational Title	Status	Estimated 5-year Gaps	Entry-Level Education
Industrial Engineers		172	Master's
Machine Learning Engineers		650	Master's
Process Simulation Analysts		47	Master's
Process Simulation Engineers		56	Master's
Product Design Engineers		300	Bachelor's
Robotics Engineers		250	Master's
Smart Grid Analysts		55	Bachelor's
Underground Mining Engineers		260	Master's
Material Scientists		342	Master's
Chemists		412	Bachelor's/Master's
Production Technicians		221	Diploma
Project Managers		295	Bachelor's/Master's
Electro-Mechanical Specialists		108	Bachelor's
Metallurgical Engineers		750	Technical/Vocational
Biotechnology Specialists		2160	Bachelor's/Master's
Civil Engineering Professionals		3184	Bachelor's
Cotton Ginning and Spinning Technicians		1000	Diploma
Electrical Engineering Professionals		3554	Bachelor's
Food and Beverage Processing		5280	Diploma
Assemblers		3600	Bachelor's
Garment Manufacturing Technicians		837	Diploma
Mechanical Engineers		600	Bachelor's
Garment Manufacturing Technicians		837	Diploma
Greenhouse Management Specialists		655	Bachelor's
Industrial Automation Technicians		651	Diploma
Leather Tanning and Processing		651	Lower Secondary
Automation Engineers		576	Bachelor's
Maintenance Technicians		2,500	Diploma
Textile Engineering Professionals		900	Bachelor's
Waste Management and Recycling Experts		4500	Lower Secondary
Crane Operators		(1080)	Bachelor's
Database Designers and Administrators		(1034)	Bachelor's
Forklift Drivers		(1520)	Bachelor's
Freight Handlers		(131)	Bachelor's
Machine Operators		(911)	Bachelor's
Supply and Distribution Managers		(1573)	Bachelor's
Supply Logistics Clerk		(2297)	Master's
Manufacturing Quality Managers		(2315)	Bachelor's
Quality Manager		(2435)	Bachelor's
Quality Control Inspectors		(109)	Bachelor's

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 11: INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES

11.1 Introduction

241. **Seamless intermodal transport infrastructure and services are essential for enhancing economic connectivity and efficiency.** It facilitates efficient movement of goods and passengers between different modes of transport. This integration boosts both domestic and international trade by providing more reliable and faster routes. In addition, it supports regional integration and contributes to social inclusion by connecting remote and underserved areas with urban centers and economic hubs. Improved connectivity especially through railway and water transport is crucial for reducing the cost of doing business and enhancing competitiveness, attracting foreign and domestic investments.

242. **Efficient transport infrastructure and services is crucial for realizing the results of this Plan.** The infrastructure facilitates movement of raw materials to production centers and finished goods to markets, supporting industrialization and value addition. Investment in safe and reliable railway and corresponding water infrastructure are crucial for reducing the cost of transportation which is a key factor in the cost of doing business. Increasing the stock and quality of GKMA transport infrastructure will enable the country harness the opportunities presented by hosting the AFCON, raise urban productivity, and improve experiences and impressions of inbound tourists. Maintenance and rehabilitation of existing infrastructure including roads, railways, airports, and water transport facilities will extend their lifespan and enhance safety. Efficient transport management can also be an avenue for raising additional revenue through innovative infrastructure financing strategies.

243. **Transport infrastructure and services are essential in attainment of global, regional and national development aspirations.** The Agenda 2030 (SDG9), Africa Agenda 2063 (Goal 2.10), and the EAC Vision 2050 (infrastructure pillar) emphasize the need to develop modern, fast, and affordable infrastructure that is essential for economic development and well-being of the population. This programme draws from the Uganda Vision 2040 that aspires to have a highly interconnected transport network and services that optimizes the use of rail, road, water and air transport modes.

244. **The potential of transport infrastructure and services to drive growth is hindered by**: limited interoperability of the transport modes; a bias towards road transport; inadequate maintenance and rehabilitation of the existing transport infrastructure; lack of a mass public transport system especially in the GKMA; inadequate infrastructure systems and services to support AFCON; inadequate policy, legal, regulatory, institutional and financing framework for transport infrastructure and services; high cost of infrastructure development and maintenance.

245. **The goal of this programme is a seamless, safe, inclusive and sustainable multi-modal transport system**.

11.2 Situation Analysis

246. **The transport infrastructure stock is biased towards roads, leading to high cost of freight, increased depreciation of stock, increased travel time, and limited interoperability**. Over 95% of freight and passenger transport is by roads. Progress has been made in building the stock of road network. The stock of paved national roads increased to 6,133 km in 2022/23 from 3,264 km in 2010/11. This stock of national paved roads compares well with regional counterparts, apart from Kenya. The stock of urban paved roads has increased to 2,246 km (11%) in FY2022/23 from 1,230 km (6.2%) in FY2018/19. However, overreliance on the road network has led to accelerated deterioration, higher maintenance costs, and traffic congestion. Over 81% of the entire road network is currently in a poor condition. Of these, 14% are national roads, 43% KCCA roads, 74.2% secondary city roads, 85.7% district roads, 86.2% municipal roads; and 95.2% town council roads are in a poor condition.

247. **Railway transport which is more efficient and cost effective in transportation of cargo is underdeveloped to reduce the burden on roads.** Uganda has a Meter Gauge Railway (MGR) network of 1,266 km of which, only 21.2% (270Km) is operational, that is, Malaba-Tororo-Kampala, Kampala-Port-Bell, and Mbale-Tororo routes. However, the operational sections are constrained by low handling capacity and low speed. The SGR which is expected to reduce transportation cost and lead time is non-existent.

248. **Further, the maritime transport infrastructure which should leverage Uganda's abundant water bodies to reduce the burden on the roads is underdeveloped.** Uganda has not leveraged the potential of Lake Victoria as a critical transportation hub to unlock the regional and international markets. Only two regional routes are operational on Lake Victoria; Port Bell- Mwanza and Port Bell-Kisumu which connect to the rail network, with two vessels, MV Kaawa and MV Pamba that are operational. The development of Bukasa port which is meant to handle international cargo from the ports of Kisumu and Mwanza is way behind schedule. However, there is progress as regards to inland water transport with 13 ferries and 1 vessel that link national roads to strategic locations currently operational. Nonetheless, the inland water transport system is still constrained by dominance of the informal sector characterized by small motorized and non-motorized boats.

249. **Air transport which is crucial for Uganda's trade and tourism needs strengthening**. Uganda's air transport sector has made notable strides, particularly with the ongoing expansion and rehabilitation of Entebbe International Airport (EIA), which has significantly increased commercial and domestic aircraft movements and boosted international passenger traffic. Additionally, the near-completion (98%) of Kabalega International Airport in Hoima

is set to bolster the tourism, oil, and gas sectors. The national carrier currently has a fleet of 7 aircraft and offers 14 routes. However, Uganda airlines has not optimized its operations due to lack of mid-range aircraft and cargo freighters to complement the existing fleet. Internal connectivity via air transport is still limited. Despite existence of 13 publicly operated aerodromes, they are in dire condition.

250. **The cost of transport infrastructure development and maintenance is high.** The unit cost (per km) of upgrading roads to paved standard has increased to Shs. 3.7 billion in FY2022/23 from Shs.3.1 billion in FY2017/18 and that of rehabilitation/reconstruction of paved roads has increased to Shs. 2.0 billion from Shs. 1.8 billion over the same period. The average unit cost for construction of unpaved/gravel road has doubled to Shs. 80 million from Shs. 40 million over the same period. This high unit cost undermines the scale of infrastructure expansions and maintenance given the resource constraint. It is therefore imperative for Uganda to seek cost-effective construction methods to ensure that the necessary expansion and maintenance of its transport infrastructure can proceed without compromising national development goals.

251. **The high cost of infrastructure provision is partly explained by the high costs of acquiring project Right of Way**. Compensating Project Affected Persons (PAPs) is increasingly becoming more costly for the government. The situation is exacerbated by speculators who buy or develop properties along anticipated transport infrastructure routes, expecting substantial compensation payouts from the government. This has considerably driven up the costs of infrastructure projects and leading to delays in their completion. The rising cost of fuel is also bound to lead to further increase in the cost of infrastructure projects. It is therefore essential for the government to implement robust policy measures that regulate land acquisitions and manage compensation in a way that is both fair and economically sustainable. These measures will be crucial in controlling costs and ensuring timely completion of infrastructure projects, even as external factors like increasing fuel prices continue to pose challenges.

252. **The financial resource for development of transport infrastructure remains inadequate despite several efforts by government to increase allocations to the ITIS Programme**. Specifically, the overall NDPIV Programme Indicative Planning Figure is estimated at Shs.40,112 billion of which only Shs.9,596 billion (23.9 percent) is discretionary resource. Thus, triggering the need for innovative financing innovations to support sustainability of infrastructure. Previously, a number of road construction contracts have incorporated tree planting along road reserves with an aim of preserving the environment. However, the survival rate of these trees has been low due to inadequate maintenance of the planted trees. Yet, growth of these trees would provide an opportunity of green financing. Also, a number of roads especially within the GKMA are used by residents who would be willing to pay for their use for instance residents of estates around Naalya currently contribute a monthly fee of Shs.20,000 towards preservation of those roads. Private co-funding towards road development

and maintenance, and exploring green financing mechanisms, alternative funding of projects such as Public-Private Partnership, among other interventions will greatly contribute towards the sustainability of ITIS infrastructure

253. **Uganda’s public transport system is generally weak, fragmented, and underregulated**. The current public transport system in urban centers is dominated by low-capacity passenger service vehicles and boda-bodas operated by the private sector. The public transport system has not kept pace with the needs of public transportation in the country especially in the GKMA. This inefficient system has led to traffic congestion which imposes a considerable social and economic cost. For instance, it is estimated that daily cost of congestion in GKMA is USD 1.5 million (approximately Shs. 5.6 billion), equivalent to 4.2% of GKMA daily GDP. The public transport system is not accommodative of non-motorized transport which is the dominant mode of transport (48%) in GKMA. Addressing the inefficiencies in public transport in especially in GKMA will be critical as Uganda prepares to host the AFCON.

254. **Uganda's transport industry faces several policy and regulatory gaps that hinder its effectiveness**. The Road Tolling Policy, 2017, and the Roads Act, 2019, cannot be fully operationalized without a comprehensive Roads Policy and accompanying regulations, leaving the Road Fund as a mere conduit for funds rather than a functional entity. The National Construction Industry Policy, 2010, aims to boost local content in public procurement, but existing guidelines limit the scope of work for local industries, hindering their capacity development. Additionally, the proposed Uganda Construction Industry Commission (UCICO) to regulate the construction sector was not established due to government rationalization policies, affecting the industry's growth. The Civil Aviation Act 1991 (Amendment) 2019 fails to separate regulatory and implementation roles within the Uganda Civil Aviation Authority (UCAA), leading to conflicts of interest. The transport industry is also constrained by weak enforcement of existing laws and regulations which has compromised safety.

255. **To ensure an efficient multi-modal transport system necessary to support value addition and industrialization agenda and harness economic opportunities, this programme focuses on**: diversification of the transport infrastructure by fast-tracking railway and water transport investments; maintenance of existing transport infrastructure; investment in mass public transport especially in GKMA; cost effective ways of infrastructure development and maintenance; diversification of financing and revenue generation for infrastructure development; and strengthen policy, legal and regulatory framework.

11.3 Programme Objectives

256. The objectives of this Programme are to:

i) Develop an inter-modal and seamless transport infrastructure and services;

ii) Strengthen transport asset management;
iii) Strengthen governance and management of integrated transport infrastructure and services; and
iv) Reduce the cost of transport infrastructure development and maintenance.

11.4 Programme Results

257. The desired high-level programme results by the year 2029/30 are:

i) Reduced average travel time;
ii) Reduced freight transportation costs;
iii) Increased average infrastructure lifespan;
iv) Increased passenger and freight volumes by railway and water;
v) Improved transport safety; and
vi) Improved interoperability.

Table 10.1: Key results to be achieved over the NDPIV

KRA	Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
Roads	Proportion of paved national roads in fair to good condition	95.7	98
	Proportion of paved national roads in fair to good condition	73	90
	Percentage of District roads in fair to good conditions	69	83
	Travel time within GKMA (min/km)	4.1	3.5
Air	Volume of international air passenger traffic	1,709,084	2,509,084
	Volume of domestic air passenger traffic	22,511	43,217
	Freight Cargo traffic in tonnes (air) - Exported	38,453	78,506
	Freight Cargo traffic in tonnes (air) -Imported	17,148	28,286
Water	Freight Cargo on Lake Victoria (tonnes)	96,922	170,045
	Passenger traffic by water %		
Railway	Freight cargo by rail %	10	60
	Travel time on railway network (in hours) -Mombasa-Kampala	20	15
	Travel time on railway network (in hours) - Mwanza-Dar-Kampala	12	10

Source: National Planning Authority, 2024

11.5 Interventions

258. To achieve the above results, the following interventions (Table 11.2) have been prioritized under this Programme

Table 11.2: A mapping of Stakeholders for the implementation of interventions

Interventions	Actors
Objective 1: To develop an inter-modal and seamless transport infrastructure and services	
1. Construct and upgrade strategic transport infrastructure: a. Standard Gauge Railway; b. Meter Gauge Railway; c. GKMA urban area development; d. AFCON e. Completion of ongoing transport projects such as Construction of Bukasa Port, Kabalega International Airport, Upgrade of Entebbe International Airport, Construction and Upgrade of Several National Roads. f. Rehabilitation and upgrade of Strategic Infrastructure such as upgrade of five regional aerodromes; Arua, Gulu, Pakuba, Kidepo and Kasese to support tourism, roads to areas with minerals, oil and gas	URC, UCAA, SGR, MoWT, UNRA, MLHUD, MoJCA, Uganda Airlines, PPDA, MEMD, UEDCL, MICT, MWE, MoLG, MoTWA, LGs, MOFPED, DPs
2. Increase capacity of existing transport infrastructure and services.	Uganda Airline Co. Ltd, EACAA, UNRA, URC, UCAA, Uganda Airlines, SGR, MoWT, MLHUD, MoJCA, PPDA, MEMD, MoLG, MoTWA, LGs, MOFPED, MICT, MWE, NITA-U, DPs
3. Construct and enhance passenger/logistics multimodal hubs and terminals.	MoWT, UNRA, Uganda Airlines, URC, UFZA SGR, UCAA, MoGLSD
4. Enhance transport safety.	MoWT, DPs, CSOs, UPF
5. Strengthen transport system resilience to climate change and natural disasters; and compliance to environmental and social safeguards.	URC, UCAA, Uganda Airlines, SGR, MoWT, UNRA, MWE, NEMA
6. Develop and implement innovative infrastructure financing modalities.	URF, KCCA, LGs, MoLG, URC, UCAA, SGR, MoWT, UNRA, MLHUD, PPDA
Objective 2: To strengthen transport asset management;	
1. Rehabilitate and maintain transport infrastructure. a. Maintenance of the GKMA, National and DUCAR Network b. Maintenance of the functional Metre Gauge Railway (sections)	URF, KCCA, LGs, MoLG, URC, UCAA, Uganda Airlines, SGR, MoWT, UNRA, MLHUD, PPDA
2. Enforce loading limits.	URC, UCAA, SGR, MoWT, UNRA, KCCA, LGs, MoLG, UPF
3. Develop and maintain transport infrastructure and services management information systems.	URC, UCAA, SGR, MoWT, UNRA
4. Develop and implement drainage systems along transport networks.	MoWT, UNRA, KCCA, LGs, MoLG, etc.
5. Strengthen mechanical engineering services.	MoWT
Objective 3: To strengthen governance and management of the Programme	
1. Develop, review, update and disseminate transport infrastructure and services laws, policies, plans, regulations, and standards.	MoWT, UNRA, Uganda Airlines, URF, URC, UCAA, Parliament of Uganda

Interventions	Actors
2. Enforce Programme policy, legal, regulatory and institutional frameworks.	UPF, Parliament of Uganda, MoWT, URC, UNRA, URA, UCAA
3. Strengthen planning, supervision, monitoring, evaluation, coordination and human resource capacity of the Programme.	OPM, MoWT, NPA, MOFPED, , UNRA, Uganda Airlines, URF, URC, UCAA
4. Integrate land use and transport planning.	MoWT, UNRA, Uganda Airlines, URF, URC, UCAA, MoLHUD
5. Construct ITIS Programme supportive infrastructure.	MoWT, NBRB, UEDCL, MEMD, MWE, NITA-U
Objective 4: To reduce the cost of transport infrastructure development and maintenance.	
1. Adopt and implement cost-efficient technologies for provision of transport infrastructure and services.	URF, KCCA, LGs, MoLG, URC, UCAA, SGR, MoWT, UNRA, MLHUD, PPDA
2. Strengthen local construction capacity.	MoWT, PPDA, MOFPED
3. Develop, review and update design manuals, standards and specifications for new innovations.	MoWT, UNRA, UCAA, URC, SGR
4. Strengthen partnerships for research, training, development, adoption, and popularisation of innovative low-cost construction materials and technologies.	UPDF, academia, technical colleges and other relevant government institutions

Source: National Planning Authority, 2024

11.6 Implementation reforms

259. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years:

i) Separate the regulatory and implementation roles of Uganda Civil Aviation Authority (UCAA). Currently, the UCAA undertakes both implementation and regulation functions of the airlines industry. It is proposed the authority retains the regulatory roles and implementation of international airports is left to the Uganda airlines.

ii) In order to reduce congestion and improve safety within Kampala City, the programme should cordon commercial motorcycles (“bodabodas”) and tri-cycles from accessing the Central Business Area (CBD).

iii) The Ministry of Local Government, through implementation of the Parish Development Model, and cultural institutions, should sensitize, allocate and implement routine road maintenance works to every household within the village/parish as was formerly done under “Bulungi Bwansi”.

11.7 Programme Human Resource Requirements

260. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 11.3: Estimated 5-year occupation and skills gaps for the Integrated Transport Infrastructure and Services Programme

Occupations Title	Status	Estimated 5-year Gaps	Entry-Level Education
Environmental Engineering and Policy Analysts		140	Bachelor's
Geographical Information Systems (GIS)		390	Bachelor's/Master's
Geotechnical Engineers		55	Master's
Hydroelectric Plant Engineers		100	Master's
Hydropower Plant Maintenance Engineers		55	Master's
Infrastructure Investment Analysts		55	Bachelor's
Materials Scientists		150	Master's
Traffic Engineering professionals		125	Master's
Infrastructure Risk analysis and Management		125	Bachelor's
Smart Grid Analysts		55	Bachelor's
Smart Transportation Systems Engineers		55	Master's
Aviation Experts		650	Master's
Transport Economists		105	Master's
Civil Engineers		130	Master's
Environmental Engineering experts		145	Master's
Mechanical Engineers		135	Bachelor's
Water and Sanitation Engineering Technicians		155	Bachelor's
Automotive and Power Engineering experts		183	Master's
Civil Engineering Technicians		450	Master's
Logistics and Supply Chain Managers		1,184	Bachelor's
Railway Engineering professionals		1,731	Bachelor's
Environmental Impact Assessment specialists		919	Bachelor's
Mechanics and Automotive Repair		3,700	Certificate
Infrastructure Project Managers		460	Bachelor's
Geotechnical Engineers		865	Master's
Advanced Roadway Design Engineers		1,105	Bachelor's
Rail Infrastructure Specialists		1,435	Bachelor's
Advanced Traffic Management Specialists		774	Master's
Fabrication workers (fuel tanks, semi-trailers, etc.)		1,300	Certificate/Diploma
Machining & Fitting workers		1,800	Certificate/Diploma
Heavy Plant Repair workers		1,030	Certificate/Diploma
Road Safety Engineers		625	Bachelor's
Infrastructure Investment Analysts		580	Bachelor's
Driving Instructors		(520)	Bachelor's
Heavy Machinery Operators		(1,600)	Diploma
Road and Bridge Construction workers		(5,800)	Diploma
Foremen, Headmen and Masons workers		(4,030)	Secondary
Phosphate Mixer and Stone Crushing workers		(3,040)	Secondary
Track Maintenance Technicians		(1,447)	Bachelor's
Urban Planning professionals		(3,080)	Bachelor's
Vehicle Body Builder and Trimmer		(2,163)	Diploma
Vehicle Painters		(1,959)	Diploma

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 12: SUSTAINABLE ENERGY DEVELOPMENT

12.1 Introduction

261. **Affordable, reliable, clean and modern energy services (sustainable energy) facilitate industrialization, value addition, competitiveness, and improved quality of life.** Access to affordable, reliable, and clean energy enhances commercial, industrial and agricultural productivity, supports technological advancements, and stimulates economic growth by enabling efficient business operations. It facilitates educational, health and quality water supply services, contributing to human capital development for socioeconomic transformation. Energy infrastructure creates job opportunities and fosters investment thereby reducing poverty and promoting social and gender equity. Sustainable energy facilitates modern communication services, safety and security, mitigates environmental impacts and fosters resilience against climate change which is crucial for long term socioeconomic stability.

262. **Affordable, reliable, clean and modern energy services is essential for the realization of the priorities of the Plan.** Access to sustainable energy plays a significant role in facilitating economic diversification, wealth creation, value addition and industrialization. Sustainable energy enhances agricultural productivity through mechanization, irrigation and minimizing post-harvest losses which are crucial for sustained supply of raw materials. Sustainable energy supports efficient extraction, beneficiation, and transportation of minerals, oil and gas. It enhances quality of service and experience at tourist destinations by powering amenities, thereby, improving tourists' experiences and boosting tourism. Particularly, hosting of events such as the AFCON requires substantial and reliable energy to power stadia and associated infrastructure ensuring seamless experience for fans. Investments in energy infrastructure and services are crucial for construction and efficient operation of the SGR. Urban areas require sufficient energy to support residential, commercial, and industrial activities. With effective application of demand side management interventions, STI and advanced energy solutions will be leveraged.

263. **The Programme seeks to increase access to and consumption of sustainable energy in line with the Agenda 2030 (SDG 7), Africa Agenda 2063 (Aspiration 1), the EAC vision 2050 (Pillar 1) and the Vision 2040.** The Agenda 2030 aims to ensure universal access to affordable, reliable, sustainable, and modern energy for all by leveraging abundant renewable energy sources. The Africa Agenda 2063 goals 6 and 7 emphasizes sustainable energy development for climate resilient economies and communities. This Programme also contributes to the realization of the Uganda Vision 2040 which aspires to develop and generate sustainable energy to drive industry and services sector. By promoting clean energy consumption, the Programme will contribute to poverty reduction, better health, education, gender equality, economic growth, and climate action.

264. **The potential of sustainable energy to spur economic growth and development is largely hindered by potentially inadequate energy generation and limited access, unreliability & costly power**. If the suppressed demand is addressed, the current generation capacity is inadequate. Unreliability is caused by limited investments, outdated technologies and aging electricity generation, transmission, and distribution infrastructure. This is further constrained by the high cost of electricity for industrialization, limited coverage by grid and off grid options, limited synergies among the stakeholders, low adoption of innovations, inadequate digital transformation of the electricity grid, limited access to modern energy supply services, and limited awareness and access to modern energy cooking systems.

265. **The goal of this programme is increased access to and consumption of reliable, affordable, clean, and modern energy services.**

12.2 Situation Analysis

266. **Electricity has a direct impact on poverty reduction, however, there is limited access to sustainable energy and its productive utilization.** Communities with access to electricity reduced their poverty rates by 10.2%. Access to electricity has increased to 58% in FY2023/24 from 24% in FY2017/18. This is mainly driven by increased uptake of off-grid technologies (38%) such as mini-grids, stand-alone solar systems and solar home kits. As such, electricity consumption per capita has increased to 218kWh from 100kWh in FY2017/18. However, this is below what is required to significantly reduce poverty. Even where electricity access has been provided, consumption has been low largely due to limited integration of productive use of energy, affordability, reliability, and coverage concerns.

267. **The inadequate distribution network has led to a high suppressed demand.** The reliability and quality of power supplied is poor in multiple areas due to aging and dilapidated distribution infrastructure, vandalism, inadequate technical network monitoring, and inadequate reinvestment in operations and maintenance among other operational challenges. Consequently, suppressed demand was estimated at about 2,420MW in 2022. To effectively address the suppressed demand, about 97,000km of low voltage, 60,000km of medium voltage and 8,000MVA in addition to investment in generation and transmission are required. In addition, the current grid availability at distribution is 75% with a loss of 18.7%.

268. **Transmission of power to key load centers and regional markets is constrained by the coverage, capacity, and non-optimization of the existing grid.** The transmission network coverage has increased to 4,518.7km in FY2023/24 from 2,354km in FY2017/18, however, several key load centers and markets remain unconnected. In addition, the coverage is dominated by the low capacity 132kV lines which is constraining evacuation of power to key load centers such as cities and some industrial parks, limiting exploitation of potential markets and resulting in higher transmission losses. Even in areas with higher capacity lines operations is at a lower voltage due to constraints at substations. Additionally, the consumption at several

industrial parks is way below the attendant substation capacities. The current transformative capacity of 6,605MVA is inadequate to support the Country's '10-fold growth strategy and evacuation of the planned nuclear power generation capacity. Expansion of the transmission network is also derailed by vandalism, protracted land acquisition processes and insufficient redundancy at major substations.

269. **The electricity generation capacity has improved however, it is inadequate if the suppressed demand already discussed is addressed**. Electricity generation installed capacity increased to 2005MW in FY2023/24 from 984MW in FY2017/18. This is a result of completion of the flagship 600MW Karuma HPP, the 183MW Isimba HPP, and several privately-owned power plants with an installed capacity of over 200MW. This is below the requirement for the industrialization and value addition agenda of the country including e-mobility, STI, and transportation.

270. **The country's electricity generation mix is skewed towards hydropower.** While the mix is diversified to include over 80MW from grid connected solar PV and over 100MW from co-generation, hydro contributes 85% despite an aging fleet of base plants. These plants are located along the Nile cascade which exposes them to climate change risks hence the need to diversify the source of base power.

271. **There have been efforts to diversify the generation mix with development of nuclear energy, however, this is yet to take off.** The development of the country's nuclear energy programme entered a critical development phase with the signing of six cooperative frameworks to support the development of the Center for Nuclear Science and Technology at Soroti University and the development of nuclear power plants. The site evaluation, environment and social impact assessment and the resettlement action plan and detailed designs for the proposed 8400MW Buyende nuclear power plant have commenced. In addition, appraisal of the country's uranium prospects as a sustainable fueling mechanism of the nuclear power development programme have been undertaken. However, the appropriate legal framework and institutional capacity for nuclear development are inadequate.

272. **The country's electricity system has limited deployment of digital and novel innovations to optimize operation and maintenance**. In generation, excess generation often goes unutilized due to lack of demand and grid scale energy storage systems. Existing hydro and thermal power plants will also require hybridization with solar PV and gas to meet the greening aspirations of the Country. The transmission and distribution networks have insufficient smart grid technologies, automatic generation control, live line maintenance, remote transformer monitoring, data concentrator units, net metering and grid forming technologies among others. These technologies are not only critical in improving the quality of power supply but also reduction of losses.

273. **The use of traditional biomass for cooking has reduced, however, it remains the major source of cooking energy**. There has been a reduction in the use of traditional biomass for cooking to 75% in FY2022/23 from 85% in FY2017/18. However, the technologies used are rudimentary and highly inefficient mostly characterized by open fires and basic stoves. This has led to dire consequences for health, gender inequality, climate and environment. Unsustainable use of biomass resources continues to aggravate energy poverty, with households spending a significant portion of their resources (30-50% of discretionary income and more than five hours daily) on cooking and fuel collection. At the same time, access to clean cooking alternatives faces a number of barriers, such as: inadequate requisite infrastructure; relatively high upfront and going-fuel costs for consumers; limited availability and accessibility of technologies and fuels; entrenched cultural norms and preferences as cooking is deeply ingrained in culture; and inadequate awareness, public sensitization and adaptation programs.

274. **The country is highly dependent on fossil fuels for the transport sector and other industries**. In FY2022/23, approximately one billion liters of Premium Motor Spirit (PMS) and 900 million liters of Automotive Gas Oil (AGO) were imported. The comprehensive legal and regulatory framework for the production, storage, transportation of biofuels was developed, however; it has not been fully operationalized. In addition, plans to blend Bio-fuels are in advanced stages. This is in line with global trends towards clean energy, with the emergence of biofuels as a viable alternative to traditional fossil fuels.

275. **Inefficient use of energy costs the country significant energy and financial resources**. In FY2022/23, Total Primary Energy Supply, (24,159 TOE), 25.7% was wasted due to in appropriate user behavior, unregulated use of energy consuming technologies, poor workmanship, and low adoption of energy efficient systems. The insufficient access to sustainable energy for households, businesses and social institutions coupled with the inefficient utilization of energy not only prohibits energy demand growth but also increases the cost of doing business due to the high energy bills. Low public awareness and knowledge has also constrained the utilization of clean energy and efficient technologies across the country.

276. **There have been efforts to strengthen the policy, legal, institutional, and co-ordinational framework, however, gaps exist which hinder effective operation and regulation.** In addition to the infrastructure deficiencies, the energy industry's institutional framework is characterized by regulatory gaps, inadequate capacity within key agencies leading to slow implementation, oversight, investment, research, and innovation. Furthermore, weak coordination among the key actors including civil society and private sector impedes the effective operation of the industry. The absence of a joint partnerships' accountability framework among the development partners in the programme leads to duplication and financing of non-priority interventions.

277. **To ensure sustainable clean energy supply to support value addition and industrialization agenda and harness economic opportunities, this programme will focus on**: diversification of the energy mix and expansion of the generation capacity, upgrade and expand the transmission and distribution infrastructure, promote research and innovation, strengthening governance and coordination of development actors

12.3 Programme Objectives

278. The objectives of this Programme are to:

i) Accelerate the development and diversification of sustainable energy;
ii) Develop and modernize energy supply systems;
iii) Enhance productive use of energy;
iv) Enhance efficiency in energy generation, supply and utilization; and
v) Strengthen governance, coordination and innovation for energy security and sustainable development.

12.4 Programme Results

279. The desired high-level Programme results by the year 2029/30 are:

i) Increased electricity generation capacity to 4,494MW from 2,047MW;
ii) Increased high voltage transformative capacity to 15,974MVA from 6,605MVA;
iii) Increased distribution network transformative capacity to 4,066MVA from 2,725.8 MVA;
iv) Increased electricity access to 80% from 58%;
v) Increased per capita electricity consumption to 578kWh from 218 kWh;
vi) Reduced share of traditional biomass in the energy mix to 50% from 75%;
vii) Increased share of clean energy used for cooking to 50% from 25%;
viii) Reduced level of energy loss to 15% from 25.7%; and
ix) Increased safe use of nuclear energy to 45% from 5%.

12.5 Interventions

280. To achieve the above results, the following interventions (Table 12.1) have been prioritized under this Programme

Table 12.1: Sustainable energy development programme interventions and respective actors

Intervention	Actors
Objective 1: Accelerate the development and diversification of sustainable energy	
1. Rehabilitate energy generation infrastructure. a. Kiira-Nalubale hydropower plant b. Wind energy systems in Karamoja c. Bioenergy systems d. Solar PV mini grids energy systems	MEMD, UEGCL, Private Sector, Development partners, MoES, MOH.

Intervention	Actors
2. Develop new utility scale energy generation infrastructure. a. Buyende Nuclear Power Plant b. Kiba hydro power plant c. Solar power plants d. Wind power plants e. Waste to energy plants	MEMD, UNNC, UNEC, UEGCL, UETCL, UEDCL, LGs, ERA, AEC, Private sector, MoFPED, MoLHUD, MoJCA, MoFA, Development Partners
3. Hybridize/convert fossil-based energy generation plants to use alternative fuels. a. Namanve thermal power plant b. Isimba hydro power plant	MEMD, NPA, UNEC, UEGCL, UETCL, UEDCL, ERA, Private sector, MoFPED, MoJCA, MoFA, Development Partners
4. Deploy smart power plant management and optimization technology.	MEMD, UEGCL, UETCL, UEDCL, ERA, Private sector, MoFPED, MoJCA, MoFA, Development Partners
5. De-risk and promote the development of nascent renewable energy technologies	MEMD, UIA, UEGCL, UETCL, LGs, ERA, Private sector, MoFPED, MoLHUD, MoJCA, MoFA, Development Partners
6. Promote community energy development	MEMD, LGs, ERA, Private sector, MoFPED, MoGLSD, MoLHUD, MoJCA, MoFA, Development Partners, Cultural Institutions, civil society, Academia
7. Develop energy generation plant fuel supply chains and mechanisms a. Nuclear fuels b. Biofuels c. Natural gas	MEMD, UNNC, UEGCL, LGs, ERA, AEC, Private sector, MoFPED, MoLHUD, MoJCA, MoFA, Development Partners, MAAIF, MoTIC, PAU, UNOC, URA, MEACA
Objective 2: Develop and modernize energy supply systems	
1. Rehabilitate and refurbish the energy distribution and transmission infrastructure. a. Upgrade and refurbish selected transmission and distribution lines b. Upgrade and refurbish selected substations, switching stations, and distribution transformers c. Install power quality correction equipment	MEMD, UETCL, UEDCL, ERA, Private Sector, Development Partners
2. Expand the energy transmission infrastructure. a. Construct high voltage power lines and associated substations. b. Construct regional interconnection electricity transmission lines c. Deploy electricity transmission grid smart management technologies. d. Promote energy storage systems. e. Deploy smart grid forming technologies.	MEMD, UNNC, UETCL, ERA, AEC, Private sector, MoFPED, MoLHUD, MoJCA, MoFA, Development Partners, URA, MEACA
3. Expand the energy distribution infrastructure	MEMD, UEDCL, ERA, Private sector, MoFPED,

Intervention	Actors
a. Construct electricity distribution lines and associated infrastructure in cities, urban, peri-urban, and rural areas. b. Implement on-grid last mile connections. c. Install a central digital reporting and monitoring systems for off-grid systems. d. Promote and develop mini-grids. e. Promote off-grid electricity systems. f. Deploy distribution grid smart management technologies.	MoLHUD, MoJCA, MoFA, Development Partners
Objective 3: Enhance productive use of energy	
1. Electrify industrial, commercial enterprises a. Industrial users b. Agro-processors c. Mining sites d. Tourism e. Wealth creation initiatives such as PDM f. Develop green hydrogen-based fertilizer plant	MEMD, UETCL, UEDCL LGs, ERA, Private sector, MoFPED, MoLHUD, MoJCA, Development Partners, MAAIF, MoTWA, MoTIC, PAU, UNOC, URA, MEACA
2. Electrify social and public institutions	
3. Energize transport	
4. Create connections between people, green jobs and services a. Support PUE initiatives such as water pumping, irrigation, refrigeration, cooling, milling, drying, and others. b. Integrate surplus captive power from self-generating facilities c. Promote and invest in energy and demand stimulation schemes such as dedicated clean energy hubs d. Strengthen market access and supply chain for PUE Appliances and products	
Objective 4: Enhance efficiency in energy generation, supply and utilization	
1. Develop and implement energy efficiency schemes along the energy value chain	
2. Decarbonize the transport and industry sectors	
Objective 5: Strengthen governance, coordination and innovation for energy security and sustainable development	
1. Strengthen the energy policy and regulatory framework	
2. Strengthen the energy research and innovation eco system	
3. Enhance nuclear safety, security and safeguards	
4. Strengthen energy planning, monitoring, coordination, and management	
5. Strengthen energy investment promotion, mobilization and coordination	
6. Promote health, environment and social safeguards	
7. Strengthen accountability systems in the energy industry	
8. Strengthen the human and institutional capacity in the energy industry	
9. Foster and leverage local, regional and international partnerships	

Source: National Planning Authority, 2024

12.6 Implementation Reforms

281. The key implementation reforms required to fully implement this programme and realize expected goals in the next five years are:

i) Fast-track the merger of UEGCL, UETCL, and UEDCL to ensure efficiency;
ii) Given the strategic nature of the energy infrastructure and services, government should have a significant stake in the entire energy value chain; and

iii) Provide for stringent regulation for traditional biomass

12.7 Programme Human Resource Requirements

282. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 12.2: Skills in acute supply

SN	Field/Skill Area	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	Required Education
	Advanced Cybersecurity Specialists	110	105	110	127	130	Master's
	Artificial Intelligence Specialists	130	125	120	115	110	Master's
	Big Data Analysts	100	95	90	85	80	Master's
	Data Privacy Experts	80	75	70	65	60	Bachelor's

Source: National Planning Authority, 2024

Table 12.3: Skills in acute supply

SN	Field/Skill Area	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	Required Education
	Agroforestry	600	720	840	960	1,080	Bachelor's
	Economics (Advanced)	102	112	130	138	142	Master's
	Electrical Engineering	671	698	710	725	750	Bachelor's
	Electrical Installation	750	782	810	835	860	Certificate
	Electrical Work	600	720	840	960	1,200	Technical/Vocational
	Mechanical Engineering	480	540	600	720	900	Bachelor's
	Radiology	120	150	180	210	240	Bachelor's/Master's
	Renewable Energy Technician	720	840	960	1,080	1,320	Diploma
	Renewable Resource Management	240	300	360	420	480	Bachelor's
	Software Development	320	400	480	560	640	Bachelor's/Master's
	Software Engineering	160	192	224	256	320	Bachelor's
	Civil Engineering	560	592	640	672	720	Bachelor's

Source: National Planning Authority, 2024

Table 12.4: Skills in surplus supply

SN	Field/Skill Area	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	Required Education
	Accounting occupations	(700)	(665)	(630)	(595)	(560)	Bachelor's
	Banking and Insurance	(700)	(665)	(630)	(595)	(560)	Bachelor's
	Business Administration	(560)	(525)	(490)	(455)	(420)	Bachelor's
	Community Development	(1,225)	(1,295)	(1,400)	(1,470)	(1,575)	Bachelor's
	Computer Science	(420)	(490)	(560)	(630)	(770)	Diploma
	Freight Handler	(25)	(25)	(26)	(27)	(28)	Bachelor's
	Front Office Managers	(525)	(630)	(700)	(770)	(875)	Bachelor's
	Gender and Development	(1,050)	(1,120)	(1,190)	(1,260)	(1,330)	Bachelor's
	Mass Communication	(1,225)	(1,295)	(1,400)	(1,470)	(1,575)	Bachelor's
	Public Administration	(1,050)	(1,120)	(1,190)	(1,260)	(1,330)	Bachelor's
	Records Management	(875)	(945)	(1,050)	(1,120)	(1,225)	Diploma
	Statistics	(1,050)	(1,120)	(1,190)	(1,260)	(1,330)	Bachelor's
	Supply and Distribution Manager	(114)	(214)	(315)	(415)	(515)	Bachelor's
	Transportation and Logistics	(525)	(630)	(700)	(770)	(875)	Bachelor's

Source: National Planning Authority, 2024

CHAPTER 13: DIGITAL TRANSFORMATION

13.1 Introduction

283. **Digital transformation is an enabler for all sectors and provides significant opportunities for inclusive economic growth.** By improving connectivity and access to information, ICT enhances efficiency and productivity across all sectors, enables the country to capitalize on emerging technologies, and enhances competitiveness. Digital tools and platforms facilitate better service delivery, increase transparency, and reduce transaction costs & lead time for acquisition of goods & services. In addition, ICT fosters innovation and entrepreneurship, creating new businesses and job opportunities. It also enables micro, small and medium enterprises (MSMEs) to access new markets and financial services. Through digital transformation, the country can leverage on real-time monitoring and instant data exchange are made possible by high-speed communication networks, robust computing power, rapid data storage, and vigilant network security.

284. **Digital transformation is key for the realization of the results of this Plan by making Government and business enterprises more effective, efficient, and competitive.** Digital technologies will be leveraged to optimize business processes in priority areas to enhance value addition. By availing the much-needed information for research and innovations, digital technologies support growth of the knowledge economy and creation of new sources of growth. Digital platforms will be leveraged to enhance the impact of wealth creation initiatives (PDM and EMYOOGA) by streamlining resource allocation and monitoring progress. Digital tools and platforms such as AI and cloud computing services provide scalable and cost-effective infrastructure utilization. By extending broadband connectivity to cities & urban centers, schools, and health centers, digital technologies will enhance the delivery of social services like health and education by providing real time data and facilitating remote access. Digital marketing and event management solutions will be key for hosting AFCON while smart city technologies will improve urban planning and delivery of services to the population.

285. **Digital Transformation is essential in attainment of global, regional and national development aspirations.** The SDGs, Africa Agenda 2063, and the EAC Vision 2050 seek to harness digital innovation to drive sustainable and inclusive growth. SDG 9 emphasizes the need to: increase access to information and communication technologies and providing universal and affordable access to the internet. The Africa's Agenda 2063 (Aspiration 1) envisions a digitally inclusive growth, focusing on robust ICT infrastructure, innovation and integration to achieve sustainable development and improved governance. The EAC Vision 2050 (Infrastructure Pillar) emphasizes digital transformation to bolster regional integration, enhance ICT capabilities and create a conducive environment for technology driven economic activities. The Programme also contributes to the attainment of the Uganda Vision 2040 which

aspires to have a robust, ultra-high-speed pervasive, intelligent, and trusted ICT infrastructure all over the country with the changing technologies.

286. **The potential of Digital Transformation as an enabler for all sectors and a development opportunity is hindered by:** (i) limited connectivity across the country; (ii) high cost of end-user devices and digital services; (iii) low levels of digital literacy; (iv) weak enforcement of policies, legal & regulatory frameworks and institutional coordination; (v) cybersecurity risks; (vi) limited support systems for digital innovations and entrepreneurship.

287. **The goal of this programme is increased ICT penetration and usage of ICT services for efficiency gains and job creation**.

13.2 Situation Analysis

288. **Broadband coverage has improved, however, fixed connectivity which offers more reliable and high-speed internet remains low.** Broadband coverage has increased to 85% in FY2022/23 from 74% in FY2017/18. However, broadband access is largely based on mobile broadband, with fixed-line broadband and fiber-optic connections lagging especially in rural areas. The National Backbone Infrastructure (NBI) across the country has increased to 4,172 km in FY2022/23 from 2,424km in FY2017/18, covering 57 districts out of the 135, connecting over 1480 MDA e-government services, and 21 major private telecom and internet service providers. Even where the NBI has reached, last mile connectivity remains low, contributing to a low internet penetration rate of 24.6%.

289. **The high cost of end-user devices and digital services also hinders internet penetration and usage**. The cost of internet access has progressively reduced to USD35 FY2022/23 per megabyte per second (Mbps) from USD70 in FY2017/18. Accordingly, the commercial Internet Service Providers (ISPs) have slashed their prices for 1 Mbps/month to an average of USD 85 from USD237 over the same period, however, this is still high. This is one of the reasons why many people are not using the internet and associated services. The average cost of an entry level smart phone is also high ranging from Shs.200,000 to Shs.500,000.

290. Low levels of digital literacy

291. cybersecurity risks. Increased cyber threats are stimulated by the broadband environment.

292. **There is progress in provision of support services for digital innovations and entrepreneurship, however, it is inadequate to exploit the opportunities.** The National ICT Innovation Hub at Nakawa supports ICT innovators to nurture ideas towards the development and commercialization of their products. In addition, there are 20 privately managed ICT hubs such as Hive, Innovation Village, and Outbox located across the country. The ecosystem such as the information technology parks to attract anchor companies to the country are being established. However, the interaction between the triple-helix (academia,

government, and industry) is relatively weak. In particular, there is low government uptake of home-grown digital products and services thereby limiting growth of start-ups.

293. **Weak enforcement of policies, legal & regulatory frameworks and institutional coordination, however, there is a need for updated policies that address emerging digital trends and foster innovation to keep pace with technological advancements.** The existing policy, legal, and regulatory frameworks in Uganda provide a solid foundation for implementing digital transformation interventions. There are a number of Acts that provide for the use, security, facilitation and regulation of electronic communications and transactions; to encourage the use of e-government systems notably; The Computer Misuse Act, 2011; Data Protection and Privacy Act, 2019; The electronics transactions Act, 2011; The Electronics Signatures Act, 2011, The National Information Technology Authority – Uganda Act, 2009; and Uganda Communications Commission Act, 2013. Relatedly there are a number of policies and regulation the govern the industry to mention but a few Data protection and Privacy regulation, 2020; Electronics Transactions Regulations, 2013; national Postcode and Addressing System Policy; National ICT Policy; National Board Band policy; National Information Technology Authority – Uganda (e-Government Regulations) 2014. These frameworks and policies collectively support the government's digital transformation agenda.

294. **To harness the full potential of digital transformation as an enabler for all sectors and a provider of development opportunities, this programme focuses on:** increasing connectivity across the country; enhancing support systems for digital innovations and entrepreneurship; reducing the cost of end-user devices and digital services; fostering digital skills & literacy; promoting cybersecurity and data protection; strengthening enforcement of policies, laws & regulatory frameworks and institutional coordination.

13.3 Programme Objectives

295. The digital transformation programme aims to achieve five objectives;

i) To increase internet connectivity across the country;
ii) To increase home-grown digital innovations and enterprises;
iii) To improve efficiency in business processes and public service delivery;
iv) To increase uptake of digital products & services;
v) To increase cybersecurity and data protection; and
vi) To strengthen enforcement of policies, laws & regulatory frameworks and institutional coordination.

13.4 Programme Results

296. The desired high-level Programme results by the year 2029/30 are:

Table 13.1: Programme outcome results

Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
1. Proportion of ICT related jobs created as a percentage of total jobs.	1.3M	
2. Proportion of population using e- government services	9.2	
3. Proportion of ICT related enterprises/businesses as a percentage of the total enterprises (URSB)		
4. Proportion of the population satisfied with e-government services	22.2%	
5. Turnaround time	6	
6. Percentage of home-grown products commercialized		
7. Proportion of individuals satisfied with how registered organizations handle their personal data	13%	

Source: National Planning Authority

13.5 Interventions

297. To achieve the above results, the following interventions (Table 13.2) have been prioritized under this Programme

Table 13.2: Digital Transformation interventions and respective actors

Interventions	Actors
Objective 1: Increase ICT connectivity across the country	
1. Extend broadband ICT infrastructure coverage countrywide	NITA-U/UTEL, UTEL, MoICT&NG, NITA-U/UCC
2. Expand the Digital Terrestrial Television free to air Broadcasting network	UBC/SIGNET
3. Modernize the public broadcaster infrastructure	UBC
4. Establish and enhance national common core infrastructure (data centres, high power computing centers, specialized labs)	NITA-U
Objective 2: Improve efficiency in Business process and public service delivery	
1. Digitalize government services	MoICT&NG, NITA-U
2. Implementation of smart cities	KCCA, MoLG
3. Automate identified postal services	POSTA
4. Leverage the existing Government infrastructure to deliver public services	POSTA, UCC, MOICT&NG
5. Implement the national addressing system	MOICT&NG, NPA
Objective 3: Increase home-grown digital innovations and enterprises	
Objective 4: . Increase uptake of digital products and services	

Interventions	Actors
1. Support local innovation and commercialization of homegrown products.	MOICT&NG, NITA-U, UICT
2. Develop innovation and incubation Centers	MoICT&NG, NITA-U
3. Develop a well-grounded ICT professional workforce	UICT, UCC, MoICT&NG
4. Develop ICT centers of excellence and vocational institutions	UICT
Objective 5: Increase cyber security and data protection	
1. Strengthen implementation and enforcement of the Data protection and privacy act and its regulations	NITA-U
2. Strengthen cyber security resilience across all sectors of the economy.	NITA-U
Objective 6. Strengthen institutional coordination and enforcement of polices, laws and regulatory frameworks	
1. Strengthen the PWG secretariat	MoICT&NG, UICT, UCC, NITA-U
2. Regulate ICT infrastructure planning, sharing and deployment	MoICT&NG, UCC, NITA-U
3. Review and develop appropriate policies, strategies, standards and regulations that respond to industry needs 4. Strengthen government institutions for effective and efficient service delivery	MOICT, UCC, NITA-U

Source: National Planning Authority, 2024

13.6 Implementation Reforms

298. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Coordination and deployment of ICT infrastructure development so as to cure the silo-based approach to planning and development of infrastructure; and
ii) Digitalize and roll out e-services to all MDAs and LG to harness the potential of ICT. All MDAs and LGs will adopt new ways of delivering services, re-engineer their business processes ensuring that they are simplified, streamlined and optimized and develop e-solutions such as e-health, e-education, and e- extension services.

13.7 Programme Human Resource Requirements

299. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

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Table 13.3: Estimated 5-year occupation and skills gaps for the Digital Transformation Programme

Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Advanced Cloud Computing Engineers	190	185	180	175	170	Master's
Advanced Cybersecurity Specialists	110	105	110	127	130	Master's
AI Research Scientists	150	145	140	135	130	PhD
AI Systems Engineers	52	45	40	35	30	Master's
Augmented Reality Developers	90	85	80	75	70	Master's
Big Data Analysts	100	95	90	85	80	Master's
Blockchain Developers	110	105	100	95	90	Bachelor's
Cloud Computing Specialists	100	95	90	85	80	Bachelor's
Cyber Intelligence Analysts and Experts	130	140	150	160	170	Master's
Cybercrime Investigators	100	110	120	130	140	Bachelor's
Cybersecurity Analysts	120	115	110	105	100	Bachelor's
Cybersecurity Architects	60	55	50	45	40	Master's
Data Privacy Experts	80	75	70	65	60	Bachelor's
Data Scientists	150	145	140	135	130	Master's
DevOps Engineers	80	75	70	65	60	Bachelor's
Digital Data Architects	50	45	40	35	30	Master's
Digital Forensics Experts	50	45	40	35	30	Master's
Human-Computer Interaction Specialists	60	55	50	45	40	Master's
IoT (Internet of Things) Experts	100	95	90	85	80	Master's
IT Solutions Architects	70	65	60	55	50	Master's
Machine Learning Engineers	140	135	130	125	120	Master's
Network Architects	130	125	120	115	110	Master's
Smart Grid Analysts	20	15	10	5	5	Bachelor's
Smart Transportation Systems Engineers	20	15	10	5	5	Master's
Software Architects	140	135	130	125	120	Master's
Software Development	60	55	50	45	40	Bachelor's
Software Engineering	140	135	130	125	120	Bachelor's
Virtual Reality Developers	90	85	80	75	70	Master's
Animation and Game Development	500	600	700	800	1000	Technical/Vocational
Digital Literacy	200	250	300	350	400	Technical/Vocational
Digital Marketing	900	920	930	850	1020	Bachelor's
Disaster Risk Management	311	321	330	340	350	Bachelor's
ICT and Digital Literacy	720	840	960	1080	1320	Diploma
Information Technology	600	700	800	870	960	Bachelor's
Insurance Underwriting	257	264	272	280	289	Diploma
Mobile Application Development	600	720	840	960	1200	Bachelor's
Network Administration	720	840	960	1080	1320	Bachelor's
Network Engineering	800	900	1000	1200	1500	Bachelor's
Network Security	106	120	130	143	152	Bachelor's
Software Engineering	160	192	224	256	320	Bachelor's
Applications Programmers	(70)	(72)	(74)	(76)	(79)	Bachelor's

Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Computer Science	(420)	(490)	(560)	(630)	(770)	Diploma
Database Designers and Administrators	(25)	(26)	(27)	(28)	(28)	Bachelor's
Graphic Design and Multimedia	(525)	(630)	(700)	(770)	(875)	Diploma
Systems Administrators	(684)	(687)	(689)	(692)	(695)	Bachelor's
Basic IT Consultants	(330)	(310)	(290)	(270)	(250)	Bachelor's
Basic IT Support Technicians	(500)	(480)	(460)	(440)	(420)	Diploma
Junior System Administrators	(400)	(380)	(360)	(340)	(320)	Bachelor's
Network Administrators	(440)	(420)	(400)	(380)	(360)	Bachelor's
Web Design Assistants	(440)	(420)	(400)	(380)	(360)	Diploma
Web Developers	(430)	(410)	(390)	(370)	(350)	Bachelor's
General Software Developers	(480)	(460)	(440)	(420)	(400)	Bachelor's

Source: NPA HR Projection Model. * Figures in brackets represent over supply, otherwise, net demand**

CHAPTER 14: SUSTAINABLE URBANIZATION AND HOUSING

14.1 Introduction

300. **Sustainable urbanization leads to substantial productivity gains supported by scale, density, and agglomeration.** The concentration of people, businesses, industries, and services fosters innovation, knowledge exchange, and economies of scale, leading to higher productivity, investments, enterprise development, market concentration, and job creation. Ultimately, urban centers stimulate economic dynamism, higher income, better social infrastructure and demand for goods and services that lead local economic development and improved living conditions. Sustainable housing and construction industry stimulate and sustains employment, house-based enterprises, tax compliance, health and education outcomes. Effective land management creates a structured environment where urbanization can thrive by preventing urban sprawl and reducing conflicts over land use.

301. **Planned urbanization, housing, and land management are crucial for the realization of priorities of the Plan.** Planned urbanization creates efficient logistical centers, provides market for high value products and supportive infrastructure such as industrial & ICT innovation parks, which are crucial for value addition. It also offers a conducive environment for creative industry and sports as a source of jobs and additional revenue. This is crucial for Uganda to harness the opportunities that will come with hosting of the AFCON. Investment in GKMA as a major economic and logistical hub for Uganda will increase productivity in all aspects of the economy including FDI, tourism, efficient public services, and highly improved quality of life. In addition, improved urban physical planning and enforcement facilitates better targeting and follow-up on wealth creation initiatives such as PDM and EMYOOGA. Planned land use and management in urban areas will address the challenge of access to right of way for infrastructure development including industrial parks, transport, energy, and housing infrastructure. This will reduce delays in and cost of infrastructure development. Housing will provide shelter, create jobs in construction, materials supply, and related industries, and enable urban residents to engage in income-generating activities more effectively.

302. **This programme seeks to make cities and human settlements inclusive, livable, and well-planned environments in line with Agenda 2030 (SDG 11), Agenda 2063 (Goal 1, Aspiration 4), and the EAC Vision 2050**. This is to be achieved through elimination of slum like conditions, safe and affordable housing, provision of accessible and affordable transport systems, reduction of urban sprawl, enhancement of cultural and heritage preservation, addressing urban resilience and climate change challenges among others. This programme also supports the Uganda Vision 2040 aspiration of better urban systems to enhance

productivity, livability, and sustainability while releasing land for commercializing agriculture.

303. **The opportunities from urbanization and housing in Uganda are undermined by:** unplanned urbanization; inadequate and dilapidated urban transport, lighting, and housing infrastructure especially in the GKMA; inadequate supportive infrastructure and facilities for the creative industry; poor drainage and waste management system; urban crime; inadequate business development services; complex & costly land acquisition and lack of a public land banking scheme for major urban infrastructure; adverse climate change effects, and policy, legal and regulatory gaps.

304. **The goal of this programme is well-planned and productive urban centers with affordable housing.**

14.2 Situation Analysis

305. **The high rate of urbanization offers immense opportunities that Ugandan can harness, if well planned**. At 5.4%, the rate at which Uganda is urbanizing is one of the highest in the world. Urban areas contribute 70% of non-agricultural GDP, hosting 24% of the population. However, this rate of urbanization has not been matched by the corresponding rate of physical planning, infrastructure development (including value addition infrastructure), the necessary social services, security, and drainage & water management system. This section provides the situation analysis on each of these issues.

306. **Uganda's urban centers are largely unplanned with only 3 of the 11 cities having physical development plans**. Although, the National Physical Development Plan (NPDP) 2022-2040 was approved to guide integrated physical and spatial planning, its implementation at lower levels remains low. Uganda's economic and logistic hub, GKMA has no integrated physical development plan. However, GKMA Integrated Urban Development Master Plan (GKMA-IUDMP) and Kampala Physical Development Plan (KPDP) are being developed and updated, respectively with support from JICA. Only14 out of 31 municipalities and 45 of 580 town councils have Physical Development Plans. Even those with physical development plans have not developed, detailed plans to guide and regulate development. On average, less than 25% of the existing physical development plans have been implemented. This unplanned urbanization limits the realization of the potential economic, social, and environmental benefits associated with well-planned urbanization.

307. **Rapid urbanization has led to high demand for housing outpacing the supply of housing and complementary infrastructure & social amenities**. The percentage of urban dwellers living in slums and informal settlements reduced to 54% in FY2022/23 from 60% in FY2017/18, however, this is still high. The housing deficit increased to 2.5 million from 2.2

million over the same period. The private sector has played a big role in addressing the housing deficit; however, the houses are not affordable and, in some cases, do not meet the building codes and standards. At a median income of 220,000 a month in 2020, 96% of Ugandans cannot afford the cheapest typical house formally constructed by a private developer. The slow pace of affordable housing has led the majority of urban dwellers to live in unplanned neighborhoods with poor road network, drainage, sanitation and waste disposal.

308. **There has been an improvement in urban infrastructure, albeit a maintenance backlog especially in GKMA**. The stock of urban paved roads has increased to 2,246 km (11% of total urban roads) in FY2022/23 from 1,230 km (6.2%) in FY2018/19. In particular, the paved road network in the KCCA increased to 36.5% in FY2023/24 from 28.997% in FY2020/21. In addition to road infrastructure, there has been improvement in drainage systems and street lighting in selected municipalities and cities through the Uganda Support to Municipal Infrastructure Development (USMID). Other workplace infrastructures have been developed such as markets, taxi parks, and open spaces. However, the condition of roads (both paved and unpaved) in the GKMA has continued to deteriorate, with a significant portion of paved roads requiring rehabilitation due to fair or poor conditions. The percentage of paved road network in good condition reduced to 35.46 percent in FY2023/24 from 42.64 percent in FY2020/21.

309. **Additionally, there are efforts to increase transport connectivity in the GKMA, however, these are inadequate leading to traffic congestion, exacerbated by the lack of mass public transport system.** In an attempt to improve traffic flow in Kampala, the Northern bypass and the flyover were constructed, however, connectivity within the GKMA is still a challenge. Due to limited connectivity, traffic congestion is high, costing the country approximately 6.7% of the GKMA's GDP annually. Several connecting roads that would have eased congestion are unpaved. This is exacerbated by the lack of mass transport system with public transport dominated by privately owned 14-seater taxis and boda-bodas. Further, there is lack of non-motorized modes of transport (such as cycling and walking) to improve city mobility and wellbeing of the urbanites.

310. **Inadequate infrastructure for the creative industry hinders realization of the potential for the industry**. Performing arts infrastructure across the country remains limited and unevenly distributed which limits production. There are only five performing arts theatres which are located in the central region and 10 functional standard cinemas in Kampala, Entebbe and Mbarara. Uganda has 42 public libraries, 1 public art gallaries and 1 public museum. Live performance venues, exhibition spaces, and recording studios are also limited, which undermines creativity. Sports facilities that meet international standards are limited, with only two stadia accredited. All Boma grounds are in a poor state and lack facilities to promote sports and talent development.

311. **Progress has been made in solid waste management; however, waste collection, disposal, and recycling are not satisfactory**. There has been an increase in collection of solid waste to 74.9% in FY2022/23 from 53.6% in FY2020/21 in the 10 cities and 12 municipalities. This is as a result of government interventions including: training urban managers in solid waste management; provision of solid waste collection trucks to cities and municipalities; development of solid waste management strategies for the 8 municipal councils of Ntungamo, Busia, Apac, Kitgum, Mubende, Kasese, Lugazi and Kamuli; and development & appraisal of 2 profiles for 2 GKMA solid waste management sites namely: Nkumba under Entebbe municipality and Kiteezi under KCCA. However, there are inadequacies in the stages of waste collection, transportation, recycling and disposal. Further, waste management in most urban areas in Uganda is characterized by nonseparation of waste at both source and final disposal. The municipal authorities are inadequately equipped and financed to execute their mandate of providing waste management services. The potential of turning waste to resource has not been fully explored and largely remain ad hoc and at household level.

312. **There has been progress in the provision of drainage infrastructure in urban areas, however, this is not adequate to address the rain water runoff**. Through the Kampala Institutional and Infrastructure Development Project (KIDP), critical drainage channels such as Lubigi, Nakamiro, and Nalukolongo were upgraded and several secondary drains connecting to these primary channels have been rehabilitated. However, encroachment to the natural drainage paths and poor waste disposal especially plastic bags have clogged these drainage channels, which is exacerbated by lack of regular maintenance. The natural ecosystems that would have helped to attenuate the runoff have been heavily encroached.

313. **There have been efforts to establish street addressing system, however, this is inadequate to aid emergency** responses. Efforts have been made to locate streets/roads, plots and buildings, some of which have been assigned identification numbers. However, this is limited to the earlier well-planned central business districts (CBDs) and colonial settlements in different urban areas as well as few real estates. Unplanned settlements in the urban areas has hindered in street addressing undermining effective emergency response including security, health, and fire.

314. **There are efforts to streamline the process of land acquisition, however, the process is still complex and time consuming, with a lot of hidden costs and risks involved.** Land record and registration system have been automated and land registration services decentralized, contributing significantly to the reduction of the number of days of transfer of property. However, the land market is complicated by several factors including the dual ownership between the Mailo owners and the “bonafide” occupants which increases the cost of land acquisition due to the numerous compensations; and difficulty in retrieval of registered transactions for a given physical plot of land under customary tenure. In addition, there is still bureaucracy in obtaining land titles and a lot of informality in land acquisition which has

contributed to the distortion of the value of land, created artificial title processing costs, and unnecessarily increased cost of land acquisition. The absence of a public land banking scheme complicates the acquisition of land for foresighted infrastructure projects.

315. **There have been strides towards combating adverse climate change effects in urban areas, however, physical, social and economic losses due to effects of climate change persists**. The guidelines for mainstreaming climate change in the Lands, Housing and Urban Development sector, 2018, climate change profile for 21 urban councils, 2018 and the Kampala Capital Climate Change Strategy, 2016, among others were developed. However, climate change related impacts have continued to cause physical, social, and economic losses, including; damages to infrastructure; housing, roads, bridges, drainage systems, disruptions in water and energy supply. This has exacerbated the vulnerability of especially poor communities in urban places. These effects manifest through increased. The urban poor and other vulnerable groups living in slums and informal settlements bear the biggest brunt of climate change induced extreme weather events. Unfortunately, many cities and urban areas have very limited capacities to plan, manage and respond to climate change eventualities and this in itself undermines the resilience of urban areas to climate change.

316. **There exists an elaborate policy, legal, and institutional framework for the urbanization, housing, and land management, however, there are inconsistencies which limits enforcement**. Government has introduced policies like the National Urban Policy (2017), National Housing Policy (2016), and National Land use Policy 2013 to foster sustainable urban development and affordable housing, however, there is no comprehensive legal framework to effectively implement these strategies. Additionally, the Housing Finance Bank has shifted its focus to commercial lending, and the National Housing and Construction Company (NHCC) often provides housing units that are not affordable for many Ugandans. The current legislative framework in Uganda does not adequately support the management of newly created cities and metropolitan areas. The existing Local Government Act lacks specific guidelines and institutional structures for managing new cities and metropolitan areas, treating them only as administrative units rather than as dynamic entities with significant socio-economic potential.

317. **To ensure well-planned and productive urban centers with affordable housing, this programme focuses on:** enhancing implementation of the urban plans; developing and maintaining urban transport, lighting, and housing infrastructure; developing and improving supportive infrastructure and facilities for the creative industry; developing appropriate drainage and waste management system; providing business development services; improving the land acquisition process; and strengthening the policy, legal, institution, and coordination frameworks.

14.3 Programme Objectives

318. The objectives of this Programme are to:

i) Develop and maintain urban infrastructure in line with physical development plans;
ii) Develop appropriate drainage and waste management systems;
iii) Reduce the affordable decent housing deficit;
iv) Increase economic opportunities in urban areas; and
v) Strengthen the policy, legal, institutional, and coordination frameworks.

14.4 Programme Results

319. The desired programme results by FY2029/30 are:

i) Improved mobility and accessibility in urban areas;
ii) Liveable and clean urban areas;
iii) Orderly and efficient urban land use and management;
iv) Increased access to affordable and decent housing;
v) Increased employment in urban areas; and
vi) Improved governance and institutional capacity.

Table 14.1: Programme results and targets

KRA	Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
Improved mobility and accessibility in Urban areas	Travel time in GKMA (Min/km)	4.14	3.5
	Travel time in other Cities (Min/km)	4.14	2.02
	Proportion of Urban roads paved (Km)	7.7%	9.6%
	Percentage of Urban roads with appropriate drainage system	7.7%	9.6%
	Proportion of urban drainage channels constructed	15.6%	37.6%
	Roads constructed in GKMA and other urban areas (Kms)	1549	1909
	Urban NMT constructed (Kms)	681.8	1,909
Liveable and clean urban areas	Proportion of municipal waste disposed off in gazetted areas	56%	65%
	Percentage of urban waste recycled	8%	25%
Efficient land use and management	Proportion of total adult population with secure tenure rights to land, with legally recognized documentation	5.7%	TBD
Increased employment in urban areas	Rate of Urban unemployment	12.8%	TBD

Increased access to affordable and decent housing	Housing Deficit (Millions)	2.4%	1.9
	Proportion of mortgages to total commercial bank loan portfolio	3.92%	
Improved governance and institutional capacity	Percentage compliance to plans and budgets	67.5%	100%

Source: National Planning Authority, 2024

14.5 Interventions

320. To achieve the above results, the following interventions (Table 14.2) have been prioritized under this Programme.

Table 14.2: Interventions and respective actors under SUHP

Intervention	Actors
Objective 1: Develop and maintain urban infrastructure in line with physical development plans	
1. Promote an integrated land use planning and enforcement of the land use plans in urban areas.	MoLG, MoLHUD, LGs, NPA.
2. Establish a land banking system for foresighted urban infrastructure and affordable housing	MoLHUD, ULC, LGs.
3. Invest in GKMA, cities and other strategic urban areas as Uganda's gateway to the world. a. Urban roads; b. Mass transport system; c. Intermodal hubs and logistics centres; d. Implement urban greening; e. Street and traffic lights; and f. Non-motorised transport corridors.	MoKCCA&MA, KCCA, LGs, MoWT and MoLHUD
Objective 2: Develop appropriate drainage and waste management systems	
1. Develop waste management systems. a. Re-use, reduce, recycle, and waste.	Local Governs, MOWE, MoLG
2. Develop and maintain urban drainage systems;	
Objective 3: Reduce the affordable decent housing deficit	
1. Address ownership challenges and capitalize the NHCC	MoFPED
2. Capitalize Housing Finance Bank	MoFPED
3. Fast-track the establishment of a legal and institutional to regulate and promote the real estate sector.	MoFPED
4. Fast-track the establishment of a mortgage refinancing facility.	MoFPED
5. Increase access to non-bank housing financing. a. Housing SACCOs b. Shelter microfinance facilities.	MoFPED
Objective 4: Increase economic opportunities in urban areas	
1. Develop and implement investment profiles for strategic urban areas.	
2. Support MSMEs in cities and Municipalities.	
3. Develop and implement free zones in GKMA and other urban areas.	MoKCCMA, KCCA

Intervention	Actors
4. Establish export business accelerators for incubation of MSMEs in public free zones.	UFZA
5. Establish and operationalize culture & creative industry, and sports facilities.	
Objective 5: Strengthen the policy, legal, institutional, and coordination frameworks	
1 1. Harmonize planning and implementation of the programme	MLHUD, MoLG, KCCA, Local Governments

Source: National Planning Authority, 2024

14.6 Implementation Reforms

321. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Refocus the National Housing and Construction Company towards its original intention of provision of affordable housing to different market segments;
ii) Refocus Housing Finance Bank to its original intention of providing mortgage financing facilities; and
iii) Develop a Cities' Law to operationalize the newly created cities.

14.7 Programme Human Resource Requirements

322. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 14.3: Estimated 5-year occupation and skills gaps for the Sustainable Urbanization and Housing Programme

Occupations Title	Status	Estimated 5-year Gaps	Entry-Level Education
Sustainable Architects		250	Bachelor's
Environmental Science Professors		182	Master's
Geographical Information Systems (GIS)		960	Bachelor's/Master's
Urban Resilience Planning		350	Master's
Water Resource Management Specialists		615	Master's
Building Code Compliance Officers		1,070	Bachelor's
Building Code Inspectors		800	Bachelor's
Green Building Consultants		1,950	Bachelor's
Housing Market Analysts		250	Bachelor's
Housing Finance Specialists		900	Master's
Land and Housing Research Specialists		107	Master's
General Architects		1,216	Bachelor's
Building and Construction Technology		2,601	Diploma
Civil Engineering		1,184	Bachelor's
Electrical Engineering		1,554	Bachelor's
Electrical Installation		1,037	Certificate
Waste Management Specialists		837	Bachelor's
Waste Management and Recycling workers		2,950	Lower Secondary
Water Resource Management		,400	Bachelor's
Land Use Planning and Development Specialists		115	Master's
Land Use Policy Experts		350	Master's
Property Development Financial Managers		115	Bachelor's
Property Development Risk Analysts		750	Bachelor's
Property Management Specialists		1,550	Bachelor's

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Occupations Title	Status	Estimated 5-year Gaps	Entry-Level Education
Property Valuers		2,150	Bachelor's
Urban Transport Planners		1,090	Master's
Plumbing		(1,236)	Technical/Vocational
Public Health Planners		(2,330)	Bachelor's
Road and Bridge Construction Labourers		(3,040)	Diploma
Road Construction and Maintenance Labourers		(6,300)	Lower Secondary
Building Project Support Staff		(115)	Diploma
Building Quality Inspectors		(5,750)	Bachelor's
Building Site Assistants		(2,000)	Diploma
Building Site Coordinators		(5,500)	Diploma
Building Technicians		(3,750)	Diploma
Construction Site Supervisors		(5,000)	Diploma
General Administrative Assistants		(3,500)	Diploma
Construction Project Managers		(1,750)	Bachelor's
Land and Property Management Assistants		(250)	Diploma
Property Management Clerks		(2,250)	Lower Secondary

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 15: HUMAN CAPITAL DEVELOPMENT

15.1 Introduction

324. **Human capital development plays a crucial role in unlocking the full potential of individuals and societies thereby enhancing productivity and the quality of life**. A healthy, well-educated and skilled population boosts productivity, innovation, creation, uptake, and diffusion of knowledge and modern technologies in different sectors of the economy. It also leads to reduction in poverty and inequalities, improves welfare and resilience through social protection, and produce intergenerational benefits. Investment in human capital enhances earnings, increasing effective demand which supports production. With a right mindset, the dividends of human capital development are amplified.

325. **Targeted investments in human capital development provides a knowledgeable, skilled, healthy, talented population and ethical laborforce, necessary to realize the priorities of the Plan.** This laborforce is necessary for value addition in key growth areas and infrastructure development and maintenance. Human capital accumulation in STI enables development of new innovations, research and technologies to facilitate the growth of the knowledge economy. The appropriately skilled and ethical workforce enables delivery of cost-effective social services through optimal resource use and service efficiency. Nurturing and developing talents is crucial for harnessing the potential of the culture & creative industry and sports especially a time when the country is preparing to host the AFCON. Community mobilization and mindset change as a component of human capital development is critical to ensure that the citizens maximize the benefits of wealth creation initiatives such as PDM and EMYOOGA. Enhancing the quality of the education system, investment in preventive health care and specialized health care & WASH value chain will enable the country to save and generate resources.

326. **This programme significantly advances the global, regional and national development agendas contributing to multiple goals and targets.** It supports SDGs 1, 2, 3, 4, 5, 6, 8, &10: which provide for poverty reduction and enhancing resilience; ending hunger, achieving food security and improved nutrition; ensuring healthy lives and promoting the well-being; equitable quality education; gender equality; provision of clean water and sanitation; full and productive employment and decent work; and reduced inequality. Africa Agenda 2063, (Aspirations 1,5 & 6), and EAC Vision 2050 (Pillars 8,9, & 10) provide for attainment of quality life, inclusive growth, job creation, gender equality, youth empowerment and provision of basic services. The Uganda Vision 2040 aims to develop the human capital as a fundamental to exploit opportunities and harness the demographic dividend.

327. **The contribution of human capital to the achievement of the priorities of the Plan is constrained by several challenges**: weak foundation for human capita broad-based population age structure; knowledge and skills gaps; weak talent development and nurturing;

inadequate supportive infrastructure and facilities for the creative industry and sports; inadequate infrastructure and functionality of the health and education systems; limited adoption of preventive health measures; high child labor, child marriages, and teenage pregnancies; food and nutrition security; limited coverage of WASH; insufficient coverage of social protection; gender inequality and inequities; non-developmental mindset; limited institutionalization and integration of human resource planning and development; and high cost of provision and access to health and education services.

328. **Therefore, the goal of this programme is a healthy, knowledgeable, skilled, ethical and productive population**.

15.2 Situation Analysis

329. **Uganda's youthful and growing population presents an opportunity to harness a demographic dividend if human capital is effectively developed**. With 73.2% of the population aged between 0-30 years, and a projected population increase to 104 million by 2060 from 45.9 million in 2024, the potential for economic growth is substantial if right investments are made in health, education, and skills development. There has been an improvement in the Human Development Index (HDI) to 0.550 in 2022 from 0.525 in 2021, repositioning the country from the Low Human Development category to the Medium Human Development category. However, human capital remains underdeveloped. The Human Capital Index (HCI) is low at 0.38, indicating that children born today will likely be only 38% as productive as they could be with complete education and full health. The status of the human capital is as detailed below.

330. **Uganda has made progress in reducing population growth rate yet the population age structure is still broad based made up of about 44% child dependents.** Increased investments in access to health and education services leading to decline in population growth rate to 2.9 in 2024 from 3.0 in 2014 and fertility rate decline to 5.2 children per woman in 2022 from 5.4 in 2016. However, the biggest number of the population is aged 0-14 years which constituted 16.6 million in 2014 and has increased to 20.1 million in 2024 leading to a high dependency burden.

331. **Uganda has made significant progress in maternal and child health, yet challenges in newborn health issues weaken the foundation for human capital.** Since 2016, the number of mothers dying during childbirth has dropped by 44%, and the death rates for children Under-five and infants have also decreased (Table 15.1). This success is largely due to the increase in free prenatal care, with more pregnant women attending check-ups and giving birth in hospitals, rising from 73% to 91%. Health facilities have enhanced their services, with high availability of care during delivery, emergency obstetric services, including C-sections, and blood transfusions. Despite these improvements, there remains a significant unmet need for family planning with 22 percent of Ugandan women aged 15-49 lacking access and

neonatal deaths remain high at 22 per 1000 live births and contributing the highest to infant mortality. This indicates a pressing need for focused efforts to improve care and outcomes for newborns. There have also been improvements in child nutrition as wasting in children under five dropped to 2.9% from 4%, obesity to 3.4% from 7.5%, and stunting decreased to 26% from 29% between 2016 and 2022, however, poor maternal nutrition and a high prevalence of micronutrient deficiencies persist.

Table 15.1: Performance of health outcomes between FY2016 and FY2022

No.	INDICATOR	FY 2016	FY 2022
1.	Maternal Mortality Ratio	336/100,000 live births	189/100,000 live births
2.	Under-Five Mortality Rate	64/1,000 live births	36/1,000 live births
3.	Infant Mortality Rate	43/1,000 live births	36/1,000 live births
4.	Neonatal Mortality Rate	27/1,000 live births	22/1,000 live births

Source: Uganda Demographic Health Survey (UDHS) 2016 and 2022

332. **Primary school enrolment has increased, however, access to Early Childhood Care and Education (ECCE) especially in rural areas is low, which weakens the foundation for human capital.** Enrolment in primary school has increased to 10.2 million in 2022 from 8.8 million in 2018, however, 84% of children aged 3-5 are not receiving ECCE. Moreover, the quality of ECCE is often poor, with many centers unlicensed and caregivers unqualified. Although the number of qualified primary school teachers has increased and classroom ratios have improved, around 20% of children aged 6-12 are not in school (UNHS, 2019/20). Even those who attend often register low learning outcomes. Whereas the desired years of learning in Ugandan is 11, children are completing 6.8, which equates to only 4 quality adjusted years. This underscores the need for improving both access and quality of ECCE and primary education to provide a stronger education foundation.

333. **Uganda's human capital is characterized by gaps in knowledge, skills, and attitudes, which limit employability**. Despite implementation of numerous skilling programs to boost youth employment, however, there is still limited alignment in skills supplied and those demanded by the industry due to; limited instructors with pedagogical skills and industry experience, limited work-based training, and inadequate training infrastructure & facilities. Furthermore, issues such as the absence of a National Qualifications Framework (NQF) and a centralized admission system to align admissions with the national human resource needs, low enrolment in scarce skills like STEM courses (39% of total enrolment), low research capacity and absence of a national research agenda, low staffing levels (averaging 40%) and weak quality assurance system at universities and limited internationalization & certification of training programmes exacerbate the problem. These challenges hinder Uganda's progress in value addition, industrialization, and the growth of the knowledge economy.

334. **Uganda lacks a proper mechanism for development and nurturing of talents, which hinders the growth of sports and the culture & creative industry**. Despite the enactment of the Sports Act, 2023, and ongoing investments in sports infrastructure for AFCON 2027,

challenges persist, such as: limited professional sports managers scouts; and academies; lack of equipment and infrastructure that meet international standard; and few physical education instructors. The culture and creative industry, contributes significantly to the economy by providing jobs (386,000), supporting over 12,460 small and medium enterprises and generating substantial revenue (for example public entertainment events generated over UGX 106 billion) in FY2021/22. However, the potential of the industry is constrained by a number of challenges including a shortage of supportive infrastructure (theatres, cinemas, museums, studios, galleries, etc.), inadequate skills, and weak regulatory frameworks. These issues collectively impede the identification and development of talent at different levels.

335. **Progress has been made in provision of health facilities, however, the capacity to provide general services is low, affecting overall health outcomes**. Majority (90%) of the population live within a 5km radius to a health facility. This notwithstanding, the functionality of the health facilities is low with only 59% of health facilities ready to provide general services, varying by location at 66% in urban areas, 60% in peri-urban areas, and 55% in rural areas. This is attributed to; low staffing levels (74%) and a shortage of essential medicines and supplies (58%), low emergency preparedness, management, & supervision, and inadequate maintenance of infrastructure, which affects the efficiency of the health system.

336. **Notwithstanding the progress realized over the years, there are challenges along the Water, Sanitation and Hygiene (WASH) value chain**. Access to safe water stands at 72.8% in urban areas and 67% in rural areas; above the Sub-Saharan average of 57%. However, sanitation access is still a problem, with only 40% in urban areas and 10% in rural areas having safely managed sanitation. Improved hygiene infrastructure and services remain insufficient, with urban areas at 53% and rural areas at 45%. Schools and healthcare facilities also struggle, with 75% of schools having basic sanitation and 55% having safe water, while only 5% of healthcare facilities meet basic sanitation standards. The inadequacy in WASH infrastructure and services contributes to high disease burden, hence the need to enhance investments.

337. **Progress has been made towards attainment of gender equality, however, there are still issues especially in economic participation.** There has been achievement in gender equality for instance in education at primary level with attainment of gender parity at 50%. Women's participation in politics has equally increased to 34% of female representatives in 11th Parliament from 33.8% in 10th Parliament. Notwithstanding, women's participation in employment and decision-making remains low, and access to essential social services, like sexual and reproductive health for adolescents, is limited. Women also face a high burden of Unpaid care work, averaging 6.6 hours per day compared to men at 5 hours per day (Time Use Survey, 2017/18). Uganda's gender gap index has worsened from 0.717 in 2020 to 0.706 in 2024, with the country falling from 63rd to 83rd place out of 146 countries. The gender inequality index has not met the target of 0.502, remaining at 0.701. Persistent gender discrimination includes high rates of child marriage (24%) and female genital mutilation

(0.3%), alongside significant physical and sexual violence affecting 48% of women and 40% of men aged 15-49. Additionally, Persons with Disabilities (PWD), who make up 12.5% of the population, ethnic minorities, and other vulnerable groups like youths, children and persons from hard-to-reach areas continue to face challenges in access of social services such as education, employment, and health services, affecting their overall participation in society and sustainable development.

338. **Limited institutionalized and integrated human resource planning undermines alignment between workforce supply and industry demand**. Despite the existence of a National Human Resource Development Plan, many MDAs and LGs in Uganda do not have their respective human resource plans as stipulated in the National Human Resource Development Planning Framework. This lack of decentralized planning results in a disjointed approach to workforce development, failing to address specific regional and sectoral human resources needs. It also hampers effective implementation of the National Human Resource Development Plan, leading to persistent skill gaps, inefficiencies, and underutilization of available talent.

339. **Although Uganda has made strides in addressing labor and employment challenges through various programs, serious issues remain.** Despite efforts like Apprenticeship, the Green Jobs Programme and Graduate placement Programme, the employment to population ratio is low at 47.5%, with a notable gender disparity—52% for males and 34% for females. Youth unemployment is very high at 16.5%, and 41.1% of youth are not engaged in employment, education, or training (NEETs). Job creation falls short of targets, and contributing factors include skill mismatches, gender discrimination, a sluggish private sector, and a high level of informal employment excluding agriculture constituting 87.9% of the economy and 91.9% including agriculture and often lacks decent work conditions. Additionally, unemployment rate remains high at 11.9%, and while labor externalization aids revenue generation, it faces challenges like trafficking, poor implementation of regulations and exposure of workers to hazardous and risky conditions.

340. **Notwithstanding progress in food and nutrition outcomes, challenges still exist with poor nutrition outcomes like stunting and micronutrient deficiencies.** There has been improvement in nutrition outcomes particularly for children with stunting (short for their age) in children under 5 years reducing to 26% in 2022 from 29% in 2016, wasting (thin for their height) among children under five reducing to 2.9% in 2022 from 4% in 2016, underweight reducing to 10.2% from 11% in 2016. The prevalence of obesity in women aged 15-49 also reduced to 8.4% from 24%, for men aged 15-54 reduced to 1.5% from 9%, and children under five reduced to 3.4% from 7.5% in 2016. Despite this reduction, the current levels of nutrition outcomes still remain poor with prevalence of deficiencies in micronutrients among certain groups and almost half of children under 5 & about one-third of women childbearing are

anemic. Food and nutrition insecurity is driven by composite, interconnected factors including inadequate food intake, high food prices, disease, lack of education, and poor sanitation.

341. **There have been efforts to mobilize communities for development, however, responsiveness is low, which undermines the impact of government development programs**. About 70% of the population were informed about national programmes and 60% of households participated in savings schemes in FY 2022/23, with a notable jump from 15.8% in FY 2021/22. Despite the availability of various government programmes such as PDM, EMYOOGA, Universal Primary Education (UPE), Universal Secondary Education (USE), Uganda Women Empowerment Program (UWEP), Youth Livelihood Programme (YLP), Youth Venture Capital Fund (YVCF), they have not been fully exploited by the targeted population. This is attributed to several challenges such as; civic irresponsibility, limited civic engagement, a culture of dependency, harmful social and cultural norms, poor information and health seeking behavior, limited or uncoordinated information, extremely colonized mindset, and weak community mobilization structures at the grassroot (barazas). Additionally, the implementation of government programs faces hurdles including illiteracy cycles, poor coordination, financing issues, political patronage, and corruption, which complicate the overall development efforts.

342. **Teenage pregnancies, child marriages, and child labour are high, which significantly impact on health, education, and economic outcomes**. In as much as government has intervened through legislation, sensitization and provision of sexual and reproductive health services, teenage pregnancy has remained high at 24% since 2011. Teenage pregnancies are more prevalent in rural areas (25%) compared to urban areas (21%). Child marriage is also a major concern, with 10% of girls married by age 15 and 40% by age 18. Child labour is also prevalent at 47% of children aged 5-17. These issues contribute to low educational attainment, economic disadvantage, and limited opportunities for affected children. The key drivers of teenage pregnancies, child marriages, and child labour include; poverty, domestic violence, negative cultural practices, weak enforcement of laws, among others.

343. **Progress has been made in building education infrastructure, however, there are gaps and functionality challenges across all levels.** The Pupil Classroom ratio for primary improved to 53:1 in FY2022/23 from 70:1 in FY2015/16. More teaching facilities, workshops and laboratories have been provided to improve teaching for TVET and higher education institutions. However, key infrastructure gaps and challenges still persist with institutions below the Basic Requirements and Minimum Standards (BRMS) to achieve functionality. The infrastructure challenges include: limited digital and technological integration, inadequate classroom space, insufficient learning material, lack of proper infrastructure maintenance, child-friendly hygiene & sanitation facilities. Therefore, addressing these challenges is crucial to improve learning and teaching environments to result in better educational outcomes for all students. Continued targeted investment interventions, and

effective policy implementation will be essential to bridge the remaining gaps and promote a more equitable and high-quality education outcomes.

344. **High cost of provision and access to health and education services.** There is still increasing cost of providing education and health services due to persistent increase in the cost of inputs, increase in the population, technical and allocative inefficiencies, and private sector dominance amidst weak policy and regulation. As a result, there has been a disproportionate increase in the contribution by parents to education, nearly 47 percent contribution by households towards funding education in Uganda. The cost of health service provision also remains high notwithstanding that over 75% of Uganda's current disease burden is preventable. Despite a reduction in out-of-pocket expenditure for the total health expenditure (THE) to 29% in FY2020/21 from 41% in 2018/19 FY, out-of-pocket expenditures still remain a major barrier to access to health services with less than 3% coverage of health insurance. Therefore, addressing the high cost to provision and access to health services is crucial to improve human capital development outcomes.

345. **Uganda has made progress in creating policies for social protection, but coverage remains very limited**. Over time, the proportion of poor people in Uganda has drastically dropped to 20.3% (2019/20), in reality 8.3 million people are still trapped in poverty. However, based on the new poverty line of USD1.77 per person per day (equivalent to UGX87,000) the share of Ugandans living in poverty stood at 30.1%, representing 12.3 million poor persons in 2019/20. Nearly 33.8% of the rural population and 19.8% of the urban population are living in poverty. Despite several poverty reduction interventions, progress has been uneven across regions and sub-regions. The Eastern region significantly reduced registered the highest reduction to 13.2% from 35.3%. Despite the significant poverty reduction in Busoga sub-region, the sub-region's contribution to total national poverty remains high at 14.%. In the Northern region, poverty deepened to 11.3% in 2019/20 from 8.9% in 2016/17 and so is the inequality among the poor persons to 4.9% from 3.4%. Further to note under the same period, income poverty worsened in the sub-regions of Acholi to 67.7% from 35%; and Lango to 23.4% from 15% respectively. The worsening poverty in Lango and Acholi sub-regions raise concerns of the effectiveness of the several livelihood programs implemented by government and non-state actors in these sub-regions.

346. **The Government has put in place a policy framework for social protection, however, coverage and scope are still too low.** Government has enacted policies and strategies like the National Social Protection Policy (2015) and the new National Social Protection Strategy (2023-2028), however, only 2.8% of the population benefits from any social protection program, and less than 3% have health insurance. The Social Assistance Grants for Empowerment (SAGE) help around 304,000 elderly people, Public Service Pension Scheme (PSPS) are only 388,853 public servants, the National Social Security Fund currently has 2.4 million savers and 52,948 are on Occupational and Voluntary Individual schemes. However,

many employees in private and informal sectors still lack adequate saving schemes. Major challenges include increasing poverty levels with child poverty at 44%, limited social insurance schemes at 5% only, vulnerability to risks and shocks due to climate change, natural disasters, disability and global epidemics; insufficient coverage, fragmented social protection services, poor targeting of social protection efforts, and absence of single registry to monitor social protection programmes.

347. **To harness the full potential of human capital as a fundamental to exploit development opportunities, this programme focuses on**: strengthening the foundation for human capital; reducing knowledge and skills gaps; strengthening talent development and nurturing; developing and maintaining supportive infrastructure and facilities for the creative industry, sports, health, and education; increasing adoption of preventive health measures; reducing child labor, child marriages, and teenage pregnancies; improving food and nutrition security; increasing access and coverage of WASH; increase coverage of social protection; reduce gender inequality and inequities; community mobilization for increased participation in government programmes and wealth creation initiatives; institutionalization and integration of human resource planning and development; reducing the cost of provision and access to health and education services, and ensuring decent and productive work environment for all.

15.3 Programme Objectives

348. The objectives of this programme are to:

i) Improve the foundations for human capital development;
ii) Produce a knowledgeable, skilled, and ethical labour force;
iii) Improve population health, safety and management; access to safe water, sanitation and hygiene services;
iv) Reduce vulnerability, gender inequality and inequity along the lifecycle;
v) Promote sports, recreation, and physical education;
vi) Promote culture and creative industries;
vii) Promote decent and productive work environment for all;
viii) Mobilize communities for increased participation in national development; and
ix) Strengthen policy, legal, institutional coordination, and regulatory frameworks.

15.4 Programme Results

349. The desired high-level Programme results by the year 2029/30 are:

Table 15.2: Programme results and targets

No.	Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
1.	Increased proportion of labour force transitioning into decent employment		
2.	Employment to population Ratio (EPR)	47.5	

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No.	Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
3.	Proportion of labour force in the informal sector (%)	56	
4.	Unemployment rate, %	11.9 %	
5.	Unionization density, %	6	
6.	Increase in labour force participation rate	48% (58% male & 39% female)	
7.	Increased ratio of Science and Technology graduates to Arts graduates		
8.	Increased percent of employers satisfied with the training provided by skilling institutions		
9.	Increased labour productivity (national output per worker)		
10.	Increased average years of schooling	6.1	11 years
11.	Increased learning adjusted years of schooling	4.5	7 years
12.	Reduced prevalence of under 5 stunting	26%	20%
13.	Reduced under 5 Mortality Rate	52/1,000	39/1,000 live births
14.	Reduced Maternal Mortality Ratio	189/100,000	
15.	Reduced unmet need of family planning	24%	10%
16.	Increase Contraceptive Prevalence Rate	29.5%	39.6%
17.	Reduced pre-mature mortality due to NCDs (TBD)		
18.	Reduced proportion of mortality due to high-risk communicable diseases (Malaria, TB & HIV/AIDS) (percent)	50.8/1,000	40/1,000
19.	Reduce teenage pregnancy rate	24%	15%
20.	Increase knowledge of HIV among the youth	56%	75%
21.	Reduce HIV incidences (number of new HIV infection per 1,000 population 15 years and above)	2.4	0.1
22.	Reduce Gender Gap Index	0.706	
23.	Increased Gender Equality Index	0.701	
24.	ECD Index		
25.	Proportion of population accessing social protection	5%	
26.	GBV prevalence	51%	
27.	Increased access to safe water supply	67% (Rural)	84%
		72.8 % (Urban)	78%
28.	Increased access to basic sanitation (improved toilet)	41% Urban area	
		10% Rural areas	
29.	Increase access to improved hygiene	53% in urban	
		36% in rural	
30.	Increase universal health care coverage index	49%	65%
31.	Increased percentage of population covered with health insurance	3.9%	7%
32.	Increase percentage of population with social insurance		
33.	Improvement in the world sports ranking in niche sports:	football (Netball (	

No.	Indicators	Baseline (FY2022/23)	Targets (FY2029/30)
		Athletics (	
34.	Volume of trade on cultural goods and services		
35.	Percentage contribution of culture and creative industries to GDP	3.1%	4%
36.	Percentage of population that uptake and engage in development initiatives	68%	

Source: National Planning Authority, 2024

15.5 Interventions

350. To achieve the above results, the following interventions (Table 15.3) have been prioritized under this Programme

Table 15.3: Interventions under the HCD Programme and respective actors

Interventions	Actors
Objective 1: To improve the foundation of human capital development	
1. Institutionalize pre-primary teacher training at public teacher training institutions	MoES, MoGLSD, MoFPED, MoLG, Private Sector, DPs
2. Enforce the regulatory and quality assurance system of ECD standards	
3. Improve physical and cognitive development of children below 8 years	MOH, MOES, MGLSD, CSOS, DPs
4. Promote optimal maternal, infant, young child, adolescent and elderly nutrition practices a. Strengthen the enabling environment for scaling up nutrition at all levels b. Promote consumption of fortified foods especially in schools with focus on beans, rice, sweat potatoes, cooking oil, maize. c. Promote dietary diversification d. Promote food safety e. Develop the national food fortification policy and law	MoH, MoES, MoGLSD, MTIC, MoFPED, MoLG, MAAIF, Private Sector (eg Maama Care Foundation), DPs
5. Increase access to immunization against childhood diseases	MOH, MoGLSD, MOES, EOC
6. Improve adolescent and youth health a. Provide youth-friendly health services b. Establish community adolescent and youth-friendly spaces at sub county level c. Include youth among the Village Health Teams	MOH, MoGLSD, MOES, EOC, Private Sector, CSOs
7. Strengthen the family unit to reduce domestic violence, child deprivation, abuse and child labour	MoGLSD, MoJCA, MoIA, EOC, MoFPED, MoLG, Private Sector, CSOs
8. Equip and support all lagging pre-primary, primary and secondary schools to meet Basic Requirements and Minimum Standards (BRMS) including Special Needs Education (SNE) a. Infrastructure b. Instruction materials c. Inspection d. Recruitment of human resource	MoES, MoH, MoGLSD, MoFPED, MoLG, MoWE, Private Sector, DPs

Interventions	Actors
1. Enhance proficiency in literacy and numeracy through Early Grade Reading (EGR), Early Grade Mathematics (EGM) and remedial learning	MoES, MoLG, NCDC, LGs, Private Sector, CSOs
2. Implement ICT integrated teaching and learning through DAS	MoES, MoICT&NG, MoLG, MoFPED
3. Leverage digital systems to improve the decision making at all levels	MOH, MOES, MGLSD, MWE, MoICT&NG
4. Develop and implement a distance learning strategy a. Invest in basic remote ICT-enabled learning infrastructure b. Liaise with Higher Education Institutions, and Technology Companies and Entrepreneurs to design and roll-out remote learning platforms with greater penetration in marginalized communities	MOES, MoICT&NG, Telecom companies, HEI's, ICT Entrepreneurs, LGs
5. Promote go-to-school, back to school and stay in school initiatives	MOH, MoES, MGLSD, MoLG, LGs, NPC, NPA, DPs
Objective 2: To produce appropriate knowledgeable, skilled and ethical labour force (with strong emphasis on science and technology; STEI/STEM in education and TVET);	
1. Institutionalizing Manpower Planning; a. Develop comprehensive National Human Resource Development Plans (HRDP) and integrate Human Resource Planning within the institutional strategic and Local Government Development Plans b. Consolidate and centralize capacity building initiatives in the public service in line with the HRDP	MGLSD, NPA, MOES, NCDC, MOPS, MOLG, Tertiary Institutions,
2. Provide early exposure of STEM/STEI to children through innovative science projects in primary schools	MoES, MoSTI, MoFPED, MoLG, NCDC
3. Provide the critical physical and virtual science infrastructure in all secondary schools	MoES, MoSTI, Private sector, UMA, HESFEB,
4. Promote industry-driven skilling and training; a. Fully roll out the modularized TVET curricula.	MOES, NCDC, NPA
5. Equip and support all lagging TVET and higher education institutions to meet Basic Requirements and Minimum Standards (BRMS)	MOES, Tertiary institutions
6. Review curricula to make them competence-based at all levels and implement competence-based curricula at all levels.	MOES, NCDC, NCHE, Training Institutions
7. Support the TVET institutions that have the minimum requisite standards to acquire international accreditation status	MoES, Training Institutions, Accreditation bodies, Industry
8. Support vocational training institutions (schools, institutes and colleges) and industrialists/employers to deliver a dual training system for TVET (i.e. 80% training in industry and 20 percent learning in the institution) and Universities (i.e. 40percent training in industry and 60 percent training in institution).	MoES, MoTIC, MoGLSD, NCHE, UMA, PSFU, industry

Interventions	Actors
9. Provide incentives to increase enrolment in skills-scarce TVET programmes to reverse the currently inverted skills triangle	MoPS, MOFPED, MOES, NCHE, NCDC
10. Implement the National Strategy for Girls Education, by among others strengthening affirmative action for enrolment of girls and PWDs in BTVET	MOES, LGs, MGLSD
11. Accelerate the acquisition of urgently needed skills in key growth areas a. Operationalize the Skills Development Fund to incentivize the private sector to offer training of their employees in the scare skills areas b. Align the issuance of work permits in line with the HRDP c. Establish and implement a National Central Admission System for higher education and link higher education admissions and financing to the critical skill needs identified in the plan d. Link allocation of scholarships and loan financing to critical skill needs identified in the plan e. Assess and certify the competencies acquired by trainee beneficiaries during apprenticeship, traineeship, indenture training. f. Adapt curriculum content and instructional materials to distance teaching and learning	MoPS, MoES, MoFPED, NCHE, NCDC, MGLSD, MTIC, DIT, UMA, PSFU, MoFA, MoIA, NPA, Tertiary Institutions, HESFEB, Industry
12. Provide the required physical infrastructure and equip, instruction materials and human resources for Higher Education and TVET Institutions including Special Needs Education (SNE)	MoES, MoFPED, NCHE, Universities
13. Implement an incentive structure for the recruitment, training, and retention of the best brains into the teaching profession across the entire education system	MoES, MoFPED, Industry
14. Promote STEM/STEI focused strategic alliances between schools, training institutions, high calibre scientists and industry a. Prioritize STEI/STEM for programme and institutional accreditation; b. Prioritize STEI/STEM admissions and financing at Higher Education Institutions; c. Prioritize investment in STEI/STEM Research and incubation to transform it into goods and services for national growth and societal wellbeing.	MoES, MoSTI, Private sector, UMA, HESFEB, NCHE, HEIs, Universities, Industry
15. Promote national ideology and interest for economic prosperity a. Integrate values, ethics in the education b. Mainstream environment and climate change concerns in the school curriculum c. Foster linkage between curriculum, education/training to the domestic socio-economic	MOICT & NG, MOES, MWE, NCDC
Objective 3: To improve population health, safety and management; access to safe water, sanitation and hygiene services	
1. Increase community ownership, access and utilisation of health promotion, environmental health and community health services including for persons with disabilities	MOH, MGLSD, MWE, MOES, LGs
2. Reduce the burden of communicable diseases with focus on high burden diseases (Malaria, HIV/AIDS, TB, Neglected Tropical Diseases, Hepatitis), epidemic prone diseases emphasizing Primary Health Care Approach	MoH, UCI, UHI, MoES, MoGLSD, MoLG, MoW&T, MoPS, Private Sector, CSOs, HDPs, OPM, UAC, Cultural and Religious Institutions
3. Prevent and control Non-Communicable Diseases with specific focus on cancer, diabetes, cardiovascular diseases and trauma. and malnutrition across all age groups	MoH, UCI, UHI, MoES, MoGLSD, MoLG, MoW&T,

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Interventions	Actors
a. Establish centres of excellence in provision of oncology, endocrine and genetic disorders, cardiovascular and trauma services at both national and regional levels and foster regional integration;	MoPS, Private Sector, CSOs, HDPs, OPM, UPF, UAC, LGs, Community, Cultural and Religious Institutions
4. Improve the functionality of the health system to deliver quality and affordable preventive, promotive, curative and palliative health care services focusing on: a. Ensure adequate human resources for health at all levels, with special focus on specialized and super specialized human resources; Undertake continuous training and capacity building for in-service health workers; b. Improve health infrastructure including emergency medical service and referral system; c. Expanding geographical access; d. Availability of affordable medicine and health supplies including promoting local production of medicines (including complementary medicine); e. Develop and implement service and service delivery standards targeting lower middle-income standards. f. Promote digitization of the health information systems g. Adherence to Client's charter to ethical code of conduct by health workers	MoFPED, MoH, MoLG, MoPS, MoICT&NG, NPC, NMS / JMS, Professional Councils, Professional Associations, Medical Bureaus, Private Health Providers, HDP
5. Improve maternal, adolescent and child health services at all levels of care. a. Invest in appropriate guidelines, health care package, infrastructure, technologies and human resource capacity for neonatal services at all levels of health care. b. Develop and implement high impact set of adolescent health interventions to reduce teenage pregnancies, with a special focus on hot spot districts. c. Increase investment in child and maternal health services at all levels of care.	MoH, UCI, UHI, MoES, MoGLSD, MoLG, MoW&T, MoPS, Private Sector, CSOs, HDPs, OPM, UAC, LGs, Community, Cultural and Religious Institutions
6. Increase access to Sexual and Reproductive Health (SRH) information and services	MoH, MWE, NPC, MoLG, MoGLSD, Private Sector, CSOs, HDPs, Community, Religious leaders, DPs
7. Increase inclusive access to safe water, sanitation and hygiene (WASH) with emphasis on increasing coverage in lagging communities a. Increase investment in water supply and sanitation infrastructure to increase service in underserved communities in urban, rural and refugee settlements. b. Increase rehabilitation and expansion of existing WASH infrastructure. c. Increase investment in WASH infrastructure in key institutions (Health facilities, education, prisons and security etc) d. Invest in effective management and regulation of the entire WASH value chain segments such as water production to point of use, catchment management, containment, emptying, transportation, treatment, safe reuse or disposal. e. Improve integrative WASH Management Information Systems for real time accurate data and monitoring. f. Increase water and sewerage infrastructure in industrial parks. g. Strengthen enforcement of health/WASH related legislation	MWE, OPM, MoH, MoLG, LGs, MoW&T, MoGLSD, MoES, MEMD, MoIA, Medical Bureaus, Private Health Providers, HDP

Interventions	Actors
8. Increase financial risk protection for health with emphasis on implementing the national health insurance scheme and scaling up community-based insurance and health cooperatives	MOH, Parliament, MoFPED
9. Promote health research, innovation and technology uptake including improvement of traditional medicine	MOH, Research & academic Institutions, Health MDAs, MSTI, Private sector
10. Promote physical health activities and behavioural change across all categories of the population f	MoH, MoES, MoGLSD, MoLG, LGs
11. Promote delivery of disability friendly health services including physical accessibility and appropriate equipment	MoH, MoLG, MoW&T, MoGLSD, MoES
12. Strengthen population planning and development along the life cycle approach including civil registration, vital statistics and national population data bank	MFPED, MOH, NPC, NPA, UBOS, NIRA, URSB, MoIAs, MoDVA, MoLGs
Objective 4: To promote decent work and productive employment	
1. Strengthen compliance with labour standards and rights	MGLSD, MOPS
2. Develop and implement job creation programmes	MGLSD, MOES
3. Promote labour productivity research, innovation, and technology uptake	MGLSD, MOPS, PSFU, Private sector, CSOs, DPs
4. Establish a functional Labour Market Information System	MGLSD, UBOS
5. Improving Occupational Safety and Health (OSH) management	MoGLSD, MoH, MoLG, MoW&T, MoGLSD, MoES, MoIA
6. Develop and implement an apprenticeship and job placement policy and programme	MoGLSD, MoES, UMA, PSFU, MTIC, MoLG, NCHE, UBOS
7. Extend internship programme to out-of-school youths	
Objective 5: Reduce vulnerability, gender inequality and inequity along the lifecycle	
1. Expand scope and coverage of livelihood enhancement and economic empowerment programmes for Youth, Women, Older Persons and PWDs.	MoGLSD, OPM
2. Promote Women's economic empowerment, leadership and participation in decision making through investment in entrepreneurship programmes, business centres	
3. Promote gender equality and equity responsive planning and budgeting in all sectors and LGs a) Increase gender data and statistics production, accessibility, and use to inform policies and programming on gender equality and equity responsive planning and budgeting. b) Track and report on the international and regional commitments on inclusive planning and budgeting c) Scale up Gender Based Violence (GBV) prevention and response interventions at all levels d) Enhance protection, respect and redress mechanisms on human rights	MoGLSD, MoFPED, LGs, DPs, CSOs, EOC, NPA

Interventions	Actors
4. Expand the scope and coverage of Social Security along the life cycle. a. Implement Direct Income Support (DIS) interventions for vunerable groups and individuals b. Expand Contributory Social Security to workers in the formal and Informal Sector c. Integrate Shock responsiveness in the delivery of Social Protection d. Strengthen Social Protection Systems across the life cycle	MoGLSD, MoFPED, URBRA, MOPS
5. Provide holistic social care and support services to vulnerable groups a. Strengthen the family and community capacity to care for and support vulnerable individuals b. Provide specialized care to vulnerable individuals and Support for the Poor c. Improve the capacity of the Social Service Workforce to deliver comprehensive care and support services	MoGLSD, MoLG MoFPED, LGs, MOH
Objective 6: To promote sports, recreation, and physical education	
1. Develop and implement a framework for institutionalizing talent identification, development, and professionalization.	MoES, MoGLSD, MoLG, NCS, Sports Clubs
2. Introduce accredited sports and physical education as stand-alone curricular subject(s) in schools and for sports coaches, administrators, and technical officials	MoES, NCDC, NCS, MoLG, Universities
3. Establish regional sports-focused schools/sports academies to support early talent identification and development.	MoES, MoFPED, NCS, Sports Clubs
4. Protect and maintain existing sports facilities and construct appropriate and standardized recreation and sports infrastructure for AFCON.	MoES, MoFPED, NCS, Sports Clubs & Associations, FUFA, Private Sector
5. Leverage public private partnerships for funding of sports and recreation programmes	Private sector, MoES, MoFPED, NCS, Sports Clubs
6. Develop and implement professional sports club structures to promote formal sports participation	MoES, MoFPED, NCS, Sports Clubs
Objective 7: To mobilize communities for increased participation in national development	
a. Promote community mobilization, sensitization and awareness creation for demand and uptake of development initiatives. Enhance public awareness on the need to promote equal opportunities for inclusive development b. Promotes awareness and laws against negative/harmful, traditional or religious practices and beliefs c. Implement a national strategy against child marriage and teenage pregnancy	MGLSD, MOLG, LGs, MOES, MOH, DPs, CSOs, EOC
1. Build capacities and equip community institutions at central, local government and non-state actors	MGLSD, MOLG, LGs, MOES, MOH, DPs
2. Develop and implement a national civic education and adult literacy programmes with emphasis on roles and responsibilities of families, communities and citizens	MGLSD, MOLG, EOC, LGs, MOES, MOH, DPs
Objective 8: To promote culture and creative industries	
1. Empower culture and creative practitioners and consumers with resources, entrepreneurship skills and opportunities using appropriate technologies and innovation for value addition	MGLSD, MOLG, LGs, UNCC
2. Develop culture and creative infrastructure for content creation, production, distribution, preservation, and marketing of CCI products	MGLSD, MOLG, LGs, UNCC

Interventions	Actors
3. Review, harmonize, develop, and enforce appropriate legal and institutional frameworks for the culture and creative industry	
Objective 9: Strengthen policy, legal, institutional coordination, and regulatory frameworks for Human Capital Development	
1.	
2.	

Source: National Planning Authority, 2024

15.6 Implementation Reforms

351. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Address conflict of interest in the provision of education and health services by banning all employees in these sectors from operating private schools and health facilities;
ii) Children in day, primary and secondary schools should attend the nearest schools to their homestead;
iii) Fees charged in public schools should go the consolidated fund;
iv) Introduce a minimum of one year of compulsory TVET training immediately after A'level before enrolling for further education to be delivered through a compulsory National Service programme framework;
v) In line with the National Human Resource Development Plan the Government issuance of work permits must be based on human resource gaps identified by the plan. In this regard, work permits should be provided in only the areas where the country is facing staffing shortages;
vi) Establish and implement a National Central Admission System for higher education and link higher education admissions and financing to the critical skill needs identified in the Plan;
vii) Link allocation of scholarships and loan financing to critical skill needs identified in the plan;
viii) Put in place a mechanism that provides opportunities for short working visits to the country's highly specialized professionals abroad to address the acute staffing needs; and
ix) Establish international exchange programmes with multi-national corporations.

15.7 Programme Human Resource Requirements

352. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed programme.

Table 15.4: Estimated 5-year occupation and skills gaps for the Human Capital Development, Community Mobilization and Mindset Program

Occupation title	Status	Estimated 5-year Gaps	Entry-Level Education
Cardiologists		350	Master's

Haematologists		350	Master's
Cardiovascular Imaging		400	Bachelor's
Clinical Biochemistry		600	Bachelor's
Pathologists		450	Master's
Metabolic Medicine		350	Master's
Nephrology		210	Master's
Oncology		650	Master's
Orthodontists		225	Master's
Orthopedic Rehabilitation		350	Master's
Reproductive Endocrinology		400	Master's
Rheumatology		350	Master's
Sports Medicine		400	Bachelor's
Urology		350	Master's
Vascular Surgeons		400	Master's
Virology		350	Master's
Clinical Medicine		1,200	Bachelor's
Early Childhood Education		1,320	Diploma
General Surgeons		1,547	Bachelor's
Economics (Advanced)		624	Master's
Endodontists		1,500	Master's
Midwifery		1,100	Diploma
Nutrition and Dietetics		1,020	Diploma
Occupational Health and Safety		1,037	Diploma
Occupational Therapy		1,065	Bachelor's
Organizational Behavior		1,021	Master's
Physiotherapy		1,157	Bachelor's
Sports Medicine Assistants		1,137	Diploma
Surgical Assistants		1,400	Diploma
Surgical Nurses		1,540	Diploma
Surgical Technologists		1,800	Diploma
Telehealth Coordinators		1,152	Bachelor's
Therapeutic Recreation		1,152	Bachelor's
Trauma Care Providers		960	Diploma
Trauma Psychologists		800	Master's
Urological Technicians		1,400	Diploma
Vision Care Specialists		800	Bachelor's
Women's Health Care Providers		1,640	Bachelor's
Women’s Health Specialists		1,640	Bachelor's
X-ray Technicians		1,137	Diploma
Adult Education occupations		(2,870)	Bachelor's
Community Health Workers		(4,500)	Bachelor's
Basic Nursing		(3,000)	Diploma
Community Development Officers (CDOs)		(3,950)	Bachelor's
Economic Empowerment Officers		(2,450)	Bachelor's
Youth and Women Mobilizers		(2,275)	Bachelor's
General Nursing		(3,150)	Diploma
Psychologists		(5,950)	Bachelor's
Public Health workers		(2,965)	Bachelor's
Cultural Leaders and Elders		(3,200)	Bachelor's
Social Work and Social Administration workers		(4,100)	Bachelor's
Gender Officers		(5,000)	Bachelor's
Teaching (Primary)		(5,715)	Diploma
Teaching (Secondary)		(3,875)	Bachelor's

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 16: INNOVATION, TECHNOLOGY DEVELOPMENT, AND TRANSFER

16.1 Introduction

353. **Investing in Science, Technology and Innovation (STI) is critical for knowledge expansion and unlocking new potentials for growth.** STI enables advancement in new fields and creation of cutting-edge tools, devices, and systems that drive productivity and competitiveness, accelerating the transition from resource-dependent to a knowledge-based economy. STI unlocks new industries, improves efficiency across sectors, and creates high-value resilient jobs.

354. **Science, Technology and Innovation has a high potential to generate new sources of growth and improve efficiency in other sectors which is essential for the realization of the Plan's results.** The Innovation, Technology Development and Transfer (ITDT) Programme provides specialized human capital, precision tools, industrial components, and the requisite STI infrastructure including engineering development centres, innovation, technology, and R&D centres, which are all essential for value addition in the priority areas. The programme advances the knowledge economy by facilitating the growth of the mobility industry, pathogen economy, industry 4.0+, and infrastructure innovations as well as aeronautics and space science. The programme contributes to revenue generation through the sale of knowledge-based products and services. It also supports cost effective delivery of social services by providing diagnostics, therapeutics, and vaccines as well as specialized technologies for skilling and human capital development. Furthermore, it will enhance mobility in GKMA by providing sustainable mass public transportation solutions which will also be effective during AFCON.

355. **The programme contributes to the realization of the global, regional and national development aspirations.** Agenda 2030 (SDG 9) emphasizes building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. The Africa Agenda 2063 (Goal 2) emphasizes the need for a skills revolution underpinned by science, technology and innovation. The EAC Vision 2050 (Education Pillar) advocates for centers of excellence, research, technology development and STI. The Uganda Vision 2040 stresses the need for the setting up of STI parks, engineering centers, technology & business incubation centers that meet international standards.

356. **The contribution of STI to the achievement of the priorities of the Plan is constrained by:** limited STI infrastructure; the black box effect; inadequate STI human capital; underdeveloped STI ecosystem; and inadequate regulatory environment.

357. **The goal of the Programme is increased commercialization of STI products and services.**

16.2 Situation Analysis

358. **Strides have been made towards establishment of modern STI infrastructure, however, gaps still exist in the areas of equipment and capacity to ensure a vibrant innovation ecosystem with equitable access.** Achievements include the establishment of two bio-banks at Makerere University Biomedical Research Center and Uganda Cancer Institute, which are vital for research in developing vaccines, therapeutics, and diagnostics. Additionally, two square miles of land have been acquired in Kayunga for the mobility industrial and technology park, which aims to boost the local automotive industry, targeting 65% local content by 2030 and a production capacity of 150,000 vehicles annually. In the area of biosciences, 152 acres have been secured in Nakasongola for a Biosciences Park, with committed funding for utilities and key facilities like a pilot diagnostics and vaccine manufacturing plant, a national biobank, and a Nuclear Magnetic Resonance Spectroscopy (NMR) unit. Other achievements include: a functional Ground Satellite Station and R&D infrastructure for space science at Mpoma. However, there are deficiencies in equipment and capacity to ensure equitable access to STI resources across the country. This includes the completion and operationalization of the facilities already initiated, as well as the expansion of incubation centers and functional science laboratories, which are essential for supporting a vibrant and inclusive innovation ecosystem.

359. **Limited exposure to and understanding of value addition in the product development process, often referred to as the "black box" effect, significantly hinders innovation and technology development**. This phenomenon describes a situation where the processes involved in transforming raw research into commercially viable products are opaque and poorly understood as a result of the education system focusing on the production of raw materials and consumption rather than value addition. Critical stages in the value addition process, such as scaling production, optimizing manufacturing techniques, and integrating market feedback, are not effectively addressed. This lack of clarity and insight prevents effective problem-solving and adaptation, leading to inefficiencies and delays in bringing innovations to market. Consequently, several innovations remain in the pilot phase without reaching full-scale production, value addition initiatives lack necessary support & investment, and there is often a disconnect between research outputs & market needs. Nevertheless, there has been progress in analyzing priority value chains to enable the translation of ideas to commercial products. Notable developments include: establishment of the Kiira Vehicle Plant, which has produced 27 electric buses, 8 diesel coaches, and support of 4 electric motorcycle producers who have made over 3,000 units; supportive infrastructure such as 14 DC Fast Chargers and 149 battery swapping stations. In addition, the Banana Production Pilot Plant now processes 14 MT of matooke daily, producing 17 Tooke products. Further, progress has been made in Vaccines, Diagnostics, and Therapeutics (VDTs) research including three human vaccines due for clinical trials and the commercialization of the COVIDEX medicine.

360. **There have been efforts to produce highly skilled, diverse, and globally competitive workforce for the STI, however, these are inadequate and their retention in the country is a challenge.** Engineering development centres have been established in Rwebitete and Namanve, aimed at rapidly building the country's engineering capacity. In terms of specialized training, various specialists have been trained in fields such as industrial development (700), E-bus operations (215), bus manufacturing (56) and food processing (415). In addition, under the aerospace program, 25 engineers have been trained in China and 21 specialists in aerospace at Kyutech-3 in Japan. However, there is shortage of high-level R&D personnel and the ratio of STEM to Humanities graduate has stagnated at 2:5. There is also a significant mismatch between the skills developed at formal institutions and the needs of the STI sector. Further, the pass rate of science subjects at O-level is less than 50%, leading to low enrolment in related discipline at higher levels.

361. **Efforts to enhance the STI ecosystem are ongoing, however, it is incomplete, scattered and disjointed.** The national STI ecosystem has been defined and the key actors identified. The e-mobility ecosystem has been mobilized with 80 value chain actors in six clusters. In addition, eleven strategic partnerships for technology development and eight think tanks have been established. Further, the National Research and Innovation Programme (NRIP) has supported 55 projects, while the Presidential Scientific Initiative on Epidemics (PRESIDE) has funded 45 projects. However, the level of appreciation among actors in the ecosystem actors is low, coordination between academia, industry, and Government is inadequate, and networking & collaboration is insufficient. Furthermore, weak management and enforcement of Intellectual Property Rights (IPR) has constrained technology transfer, development, commercialization, and access to external markets. Investors in STI are deterred by perceived risks and uncertain returns associated with innovative products, making it difficult for innovation driven enterprises to access necessary capital. Relatedly, the high cost of research, development, and commercialization poses significant barriers.

362. There **are efforts to strengthen the policy, legal and regulatory framework for STI, however, there are still gaps.** The Copyright and Neighbouring Rights Act (2006), the Trademarks Act (2010), the Industrial Property Act (2014) and the National Science, Technology, and Innovation Policy (2009) have provided a framework for development of the STI ecosystem. However, the STI policy is outdated, not addressing the new and emerging issues in sector. In addition, challenges persist in enforcement of the policy and awareness of the Intellectual Property Rights (IPRs).

363. **To increase commercialization of STI products and services, this programme focuses on:** developing requisite STI infrastructure; increasing the stock of specialized STI human capital; developing STI ecosystem; and strengthening regulatory environment.

16.3 Programme objectives

364. The objectives of this Programme are to:

i) Develop an STI ecosystem for technology development, transfer, industrialization, and commercialization;
ii) Increase the requisite STI Infrastructure;
iii) Increase the stock of specialized STI human capital; and
iv) Strengthen the policy, legal, institutional, and coordination framework facilitative of the STI idea-to-market journey.

16.4 Programme Results

365. The Programme thus aims to achieve the following key results by the end of FY2029/30:

i) Increased investment by Government and private sector in technology development, transfer, industrialization and commercialization to at least USD 500 million annually;
ii) 50 Ugandan Innovation Driven Enterprises (IDEs) created, with at least 10 having presence on the export market;
iii) Increased contribution of STI to GDP to at least USD 10 billion; and
iv) Increased productive STI human capital to at least 500,000.

16.5 Interventions

366. To achieve the above results, the following interventions (Table 16.1) have been prioritized under this Programme.

Table 16.1: Interventions under the ITDT Programme and respective actors

Interventions	Actors
Objective 1: Develop an STI ecosystem for technology development, transfer, industrialization, and commercialization	
1. Support Technology Development, Transfer, Industrialization and Commercialization in the prioritized Industrial Value Chains. a. Mobility industry b. Pathogen economy c. Industry 4.0+ d. Infrastructure innovations e. Aeronautics and space science	UIRI, EDIC, STI-OP, MoWT, URSB, KMC, PIBID, EDIC, UNCST, Academia, Private Sector
2. Nurture STI in the young generation	STI-OP, MoES, MoLG, MGLSD
3. Establish STI collaboration platforms	MICT&NG, MoLG, STI-OP, Media, NITA-U
4. Strengthen STI information and knowledge management	UNCST, URSB, STI-OP, NPA
5. Enhance international cooperation for technology development and markets	STI-OP, MOFA, MoJCA, MEACA
6. Secure offtake for locally developed STI products	STI-OP, OPM, MoFPED, LGs, Private Sector,

Interventions	Actors
	Development Partners, OP, PPDA, Parliament
7. Strengthen the Intellectual Property (IP) value chain management	URSB, STI-OP, UNCST, Private Sector
8. Attract Innovative financing for the idea-to-market journey	STI-OP, MoFPED, UIA, MTIC, UDB, UDC, URSB, Private Sector
Objective 2: To increase the requisite STI Infrastructure	
1. Establish science and technology parks a. Nakasongola b. Kayunga	MWE, MEMD, UIA, NDA, STI-OP, KMC, MLG, MTIC, MAAIF
2. Establish materials research facilities	STI-OP, MTIC, MEMD, NEMA, UNBS, NPA, UMA, NSTEI-SEP (EDIC), MICT, UIRI, UCC, Academia
3. Establish and provide STI specialized common user facilities	NSTEI-SEP (EDIC), UIRI, UNCST, STI-OP, Academia
4. Establish and support STI incubation centers	STI-OP, MLHUD, MoLG, MEMD, UIRI, UNCST, NSTEI-SEP (EDIC), MoFPED, MTIC, MLSD, Academia, Private Sector, Development Partners
5. Equip selected R&D institutions with specialized equipment	STI-OP, UNCST, NARO, UVRI, Academia, Private Sector
6. Establish Mobility Infrastructure a. EV charging infrastructure b. E-Bus transit hubs c. Distribution centres	KMC, MTIC, MLG, STI-OP, MFPED, UDB, MoWT, KCCA, MWT, MEMD, MOLG, NPA, Private Sector, Development Partners
Objective 3: Increase the stock specialized STI human capital	
1. Accelerated conversion of Ugandan workforce through specialized industrial STI capacity development programs	UIRI, EDIC, STI-OP, MoWT, URSB, KMC, PIBID, EDIC, UNCST, Academia, Private Sector
2. Develop strategies for the attraction of skilled Ugandan experts and industrial scientists from the diaspora	STI-OP, MoFA, MoFPED, MoJCA, Parliament
3. Create professional fraternities for scientists to ensure high quality and accountability	UNCST, STI-OP, MGLSD
4. Update the curriculum and support STI Industrial Human Capital Development	STI-OP
Objective 4: Strengthen the policy, legal, institutional, and coordination framework facilitative of the STI idea-to-market journey	
1. Develop and enforce policies, laws, and regulations that govern and facilitate the national STI system a. Update the National STI policy 2009, b. STI law and regulations c. Amend the UIRI and UNCST Acts d. Bio-safety and Bio-security Bill e. Indigenous knowledge, mobility, industry 4+, aeronautics and space science, pathogen economy f. National research framework and agenda	STI-OP, MoFPED, UDB, UIA, NPA, Private Sector, Development Partners

Interventions	Actors
2. Develop and enforce standards and guidelines for prioritized industrial value chains	STI-OP, MoFPED, UDB, UIA, UMA, MWE, Parliament, Cabinet Secretariat, Private Sector, Development Partners, UNBS
3. Strengthen the STI fund management system for enhanced transparency and accountability	STI-OP, MoFPED, OP, MoJCA, Cabinet Secretariat, NPA
4. Strengthen planning, supervision, monitoring, evaluation, coordination and human resource capacity of the ITDT Programme.	STI-OP, UNCST, UIRI, NSTEI (EID), MoFA, URSB, KMC, MoPS, UVRI, OPM, PIBID, NPA

Source: National Planning Authority, 2024

16.6 Implementation Reforms

367. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

16.7 Programme Human Resource Requirements

368. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 16.2: Estimated 5-year occupation and skills gaps for the Innovation, Technology Development and Transfer Programme

Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Big Data Analysts	100	95	90	85	80	Master's
Cybercrime Investigators	100	110	120	130	140	Bachelor's
Cybersecurity Analysts	120	115	110	105	100	Bachelor's
Cybersecurity Architects	60	55	50	45	40	Master's
Data Privacy Experts	80	75	70	65	60	Bachelor's
Data Scientists	150	145	140	135	130	Master's
DevOps Engineers	80	75	70	65	60	Bachelor's
Digital Data Architects	50	45	40	35	30	Master's
IoT (Internet of Things) Experts	100	95	90	85	80	Master's
Robotics	35	30	25	20	15	Bachelor's/Master's
Robotics Engineers	60	55	50	45	40	Master's
Smart Grid Analysts	20	15	10	5	5	Bachelor's
Database Administration	320	340	360	380	400	Bachelor's
ICT and Digital Literacy	720	840	960	1,080	1,320	Diploma
Information Technology	600	700	800	870	960	Bachelor's
IT Support	274	282	290	299	308	Diploma
Mobile Application Development	600	720	840	960	1,200	Bachelor's
Mobile Phone Repair	900	1,080	1,200	1,320	1,500	Lower Secondary
Network Administration	720	840	960	1,080	1,320	Bachelor's
Network and System Administration	600	700	800	870	960	Diploma

Occupations Title	Estimated 5-year Gaps					
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**Entry-Level Education**
Network Engineering	800	900	1,000	1,200	1,500	Bachelor's
Network Security	106	120	130	143	152	Bachelor's
Software Development	320	400	480	560	640	Bachelor's/Master's
Software Engineering	160	192	224	256	320	Bachelor's
Web Design	482	545	620	705	798	Diploma
Web Development	482	545	620	705	798	Technical/Vocational
Web Development	482	545	620	705	798	Bachelor's
Database Designers and Administrators	(225)	(246)	(261)	(271)	(318)	Bachelor's
Graphic Design	(350)	(420)	(490)	(560)	(700)	Technical/Vocational
Graphic Design and Multimedia	(525)	(630)	(700)	(770)	(875)	Diploma
Secretarial Studies	(2,500)	(2,700)	(3,000)	(3,200)	(3,500)	Diploma
Systems Administrators	(684)	(687)	(689)	(692)	(695)	Bachelor's
Systems Analysts	(170)	(172)	(174)	(176)	(179)	Bachelor's
Videography	(1,500)	(1,800)	(2,000)	(2,200)	(2,500)	Diploma
Web and Multimedia Developers	(142)	(143)	(145)	(146)	(147)	Bachelor's
Basic IT Consultants	(330)	(310)	(290)	(270)	(250)	Bachelor's
Basic IT Managers	(150)	(130)	(110)	(90)	(70)	Bachelor's
Basic IT Project Managers	(270)	(250)	(230)	(210)	(190)	Bachelor's
Basic IT Solutions Specialists	(100)	(80)	(60)	(40)	(20)	Diploma
Basic IT Support Technicians	(500)	(480)	(460)	(440)	(420)	Diploma
Junior System Administrators	(400)	(380)	(360)	(340)	(320)	Bachelor's
Basic Network Support Staff	(80)	(60)	(40)	(20)	(10)	Diploma
Basic Network Technicians	(430)	(410)	(390)	(370)	(350)	Diploma
Basic Software Developers	(180)	(160)	(140)	(120)	(100)	Bachelor's
Basic Software Engineers	(460)	(440)	(420)	(400)	(380)	Bachelor's
Network Administrators	(440)	(420)	(400)	(380)	(360)	Bachelor's
Web Design Assistants	(440)	(420)	(400)	(380)	(360)	Diploma
Web Developers	(430)	(410)	(390)	(370)	(350)	Bachelor's
Entry-Level Systems Engineers	(170)	(150)	(130)	(110)	(90)	Bachelor's
General Software Developers	(480)	(460)	(440)	(420)	(400)	Bachelor's

Source: NPA HR Projection Model. * Figures in brackets represent over supply, otherwise, net demand**

CHAPTER 17: GOVERNANCE AND SECURITY PROGRAMME

17.1 Introduction

369. **Good governance security, and peace promote transparency, accountability, and efficient resource management creating a safe and conducive environment for investment and economic activity.** Good governance and the rule of law build strong and reliable institutions. Strong institutions ensure that processes, systems, and decision making are inclusive, transparent, responsive, efficient, and that citizens' rights are respected, promoted and protected. This provides a conducive investment climate, builds citizen and investor confidence, fosters fair competition in business, saves scarce resources, expands the tax base, and provides an avenue for resolution of business and personal grievances, and enforcement of contracts. Security is a core function of government that ensures a secure and peaceful environment which is fundamental in attracting local and Foreign Direct Investments, promoting tourism, international relations & diplomacy, and citizen wellbeing.

370. **Peace, security and good governance ensure an environment where businesses can thrive, and economic activities can expand without the disruptions.** A peaceful, secure, and democratic environment allows for uninterrupted delivery of goods and services which bolsters steady economic progress, and provides certainty for long-term domestic & foreign investment. This, together with a robust legal framework provide certainty in commerce and delivery of strategic investments in value addition, corresponding infrastructure necessary for GKMA, AFCON, SGR, and oil & gas. Transparency and anti-corruption interventions ensure value for money in the delivery of strategic investments, and recovery of resources for investment. Further, good diplomatic relations ensure peace with other countries, opens up markets for value added goods and services. In addition, the security forces can directly support the realization of the Plan priorities by engaging in Science, Innovation and productive activities.

371. **This Programme contributes to the realization of the Agenda 2030, the Africa Agenda 2063, the EAC Vision 2050 and the Uganda Vision 2040.** SDG 16 underscores the need to promote peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and the building of effective, accountable and inclusive institutions at all levels. Aspiration 3 of the Africa Agenda 2063 promotes African stability, peace and security as a cornerstone for growth. Pillar 6 of the EAC Vision 2050 emphasizes defense, peace, and security as perquisites for socio-economic and political progress necessary for integration, and recognizes good governance as an imperative for growth, poverty eradication and sustainable development. The Uganda Vision 2040 emphasizes strengthening the national defense system ensuring professional army and reserve force.

372. **The potential of peace, security, and good governance in ensuring a conducive environment for businesses and growth is hindered by:** evolving security threats; inadequate security infrastructure & equipment; ideological disorientation; personnel deficits; corruption; limited civic awareness; slow & none inclusive legislative process; imbalanced investment in the justice value chain; limited application & integration of digital solutions; high influx of refugees; failure to leverage capacity of the forces in production; low compliance with the Bill of Rights; and failure to leverage geo-political dynamics for development.

373. **The goal of the programme is a peaceful and secure Uganda, adhering to the rule of law.**

17.2 Situation Analysis

374. **Substantial capacity has been built to respond to security threats, however, the evolving nature of these threats requires continuous investment in capacity improvement.** The country has invested in modernizing its military and police forces incorporating advanced technology and improved training programmes to better respond to internal and external threats. The country has invested in security apparatus including more sophisticated intelligence network and border control mechanisms. Between May 2021 and June 2023, over 400 counter-terrorism forces have been equipped. To enhance security surveillance, the Closed-Circuit Television (CCTV) system has been installed. In addition, the implementation of Intelligence Transportation Monitoring System (ITMS) has commenced to further enhance the ability of security agencies to monitor vehicles and respond to traffic security threats. Improvements have also been noted in staff recruitment and training, infrastructure development, and the resettlement & reintegration of veterans. Consequently, several events have successfully been hosted such as the Non-Aligned Movement and G77+China summits in January 2024. There has been an improvement in the effectiveness of rehabilitation programs, leading to a decline in crime. There has been increased investment in R&D to 0.6% in FY 2022/23 from 0.06% in FY 2017/18 which has improved crime management. However, because of the evolving nature of threats, challenges persist, including cyber threats, threat of terrorism, fluctuations in crime rates, and organized crimes which are becoming more sophisticated. In addition, infrastructure deficits across security agencies remain causing congestion, poor living conditions, among others.

375. **Efforts have been made to counteract radicalism among the population and ensure stability, however, this remains ad hoc and disjointed.** Statistics reveal that around 30% of security-related incidents involve ideological motivations, underscoring the need for continued vigilance and targeted interventions. Through the National Leadership Institute (NALI), various sections of the population have been re-oriented to promote national unity, counter extremist ideologies and inculcation of a development mindset. Despite these efforts, challenges remain, such as lack of policy, legal and institutionalized framework for national

service, lack of a nationally agreed value system and civic awareness about rights and responsibilities.

376. **Uganda has put in place an elaborate policy, legal and institutional framework to combat corruption, however, the net effect of these has been minimal**. Government has invested in setting up anti-corruption institutions such as the Ministry of Ethics and Integrity, CID, Inspectorate of Government, the Office of Auditor General, and the State House Anti-Corruption Unit, Leadership Code Tribunal, Anti-Corruption Court, Investors Protection Unit, and Parliament. Further, an anti-corruption legal framework has been established such as; the Anti-corruption Act; Zero Tolerance for Corruption Policy 2018 and National Ethics and Values Policy 2013, is supported by targeted legislation and a range of anti-corruption institutions, including the Inspectorate of Government, the Office of Auditor General, and the State House Anti-Corruption Unit. Despite these efforts, corruption remains a significant obstacle, with Uganda ranking poorly on Transparency International's Corruption Perceptions Index and losing an estimated UGX 9.1 trillion annually to corrupt practices. Public procurement remains particularly vulnerable, with substantial contract values lost to corruption, underscoring the need for continued efforts to address these challenges and achieve economic transformation goals.

377. **The investments in the justice service delivery chain have been uneven with notable achievements in some areas but significant challenges in others.** Following the enactment of the Administration of Justice Act 2020, Significant enhancements were made regarding security tenure, emoluments, retirement benefits of judicial officers, and geographical coverage of the judiciary. There has however, been limited investment in corresponding institutions that support the justice service delivery chain such as Uganda Police Force, ODPP, Uganda Prisons Service, Ministry of Justice and Constitutional Affairs, Directorate of Community Service, Legal Aid Service Provision.

378. **To improve efficiency, there have been efforts to automate the JLOS and governance business processes; however, this has been limited and not fully integrated**. The Uganda Prisons Service (UPS) is part of the virtual court system that allows for virtual attendance of court proceedings by prisoners, improving efficiency, however, its limited in functionality. There is also the Prisons' Management System that allows for data capture, storage and analysis, improving data management of prisons. Nonetheless, this is not integrated with other management information systems within the JLOS service delivery chain. National passports have been upgraded to electronic versions meeting International Civil Aviation Organization (ICAO) standards, and the application for and passport processing has been digitalized to ease access.

379. **Uganda operates an open-door refugee policy applauded globally as a model practice; however, this practice is challenged by a high influx of refugees and corresponding security risk**. Uganda is surrounded by countries that are facing a number of security threats which lead to influx of refugees into Uganda in search of better conditions. By the end of July 2024, Uganda hosted over 1.7 million refugees. This large influx can lead to conflicts and tensions with host communities over resources. Refugees undergo thorough security screening at entry points and reception centres to maintain the civilian character of asylum as prescribed by the 1951 UN Convention and domestic legislation. Documentation and asylum registration are to be integrated with the national database, additionally, asylum tribunals are in place to determine who qualifies for refugee status in the country, while excluding individuals with criminal backgrounds. Integrating such large numbers of refugees poses challenges, potentially causing social cohesion problems and requiring additional resources and attention to maintain law and order in hosting areas. Refugees, especially women and children, are vulnerable to human trafficking and exploitation, adding to security and humanitarian concerns. Refugee management in Uganda is centralized due to the complex governance needed to address refugee rights and durable solutions, involving local, national, regional, international, and multi-agency components. Uganda will continue implementing the settlement transformation agenda, the comprehensive refugee framework and global compact on refugees to combat refugee challenges.

380. **Public Policy analysis and management has improved, though processes remain slow and enforcement weak.** Policy submissions to cabinet are reviewed for adequacy and harmony with national, regional and international commitments increasing the compliance rate from 45% in FY2020/21 to 62% in 2023/2024. To support decentralized governance, ordinances and by-laws are reviewed and published. There has also been monitoring and oversight of government policies, programs and projects to ensure compliance. Further, to ease understanding, laws were simplified and translated, and to harmonize parent laws with amendments and developments in case law a revised edition of the laws of Uganda was commissioned. Institutions such as the Cabinet Secretariat and state house units such as the State House Monitoring Unit were strengthened to provide policy oversight and monitoring. However, the policy and legislative formulation process is still slow and enforcement challenging, with just about 45% of cabinet decisions fully implemented in the last four years and late amendment/enactment of electoral laws leading constraining strict adherence to the electoral road map. There is need for targeted and evidence policy formulation to decrease redundancy and increase enforcement. There is also need to automate the drafting of legislation and link it to the Parliament of Uganda for easier tracking of bills drafted and those that delay in the system.

381. **Efforts have been made in promoting regional and international relations, however, the country has not taken full advantage of business and economic opportunities**. It has chaired the African Union Peace and Security Council and played key roles in peace processes in Somalia, South Sudan, the DRC, and Burundi. Uganda hosted the 19th Summit of NAM members and the third South Summit plus China in January 2024, and was elected Chairperson of NAM for the next three years and G77 plus China for one year, which will help promote its interests. Additionally, Uganda opened new missions in Havana, Cuba, and Luanda (Angola), enhancing its diplomatic presence. The country has in the last four years coordinated the negotiation, signing, ratification, and domestication of 154 international agreements/MoUs on political, social, and economic matters. This provides opportunities for trade, tourism, and attracting FDI, however, these opportunities have not been optimally exploited.

382. **The armed forces have contributed to national development by engaging in various science, innovation, and productive activities, however, their capacity has not been fully leveraged**. Through the National Enterprise Corporation, several value-added products including armored vehicles have been produced and provided value addition facilities for other public and private enterprises. In addition, they are supporting the Kira Motors Corporation in assembling vehicles. They have also supported the development of agriculture by engaging in production and distribution of inputs. Further, the military has been involved in constructions and rehabilitation of critical infrastructure. Similarly, the UPF and UPS are involved in production and value addition activities such as leather and textile manufacturing, carpentry, and commercial agriculture. However, the capacity they have in terms of labor and land has not been fully exploited.

383. **To ensure a peaceful and secure environment, as well as effective governance, this programme focuses on:** enhancing the capacity of the security forces to respond to the existing and evolving threats; enhancing patriotism, national value system and civic awareness; strengthening the fight against corruption strengthening application & integration of digital solutions; leveraging the capacity of the security forces in production, value addition and infrastructure development; promoting compliance with the Bill of Rights; and strengthening regional and international relations; strengthening the policy, legal, institutional, and coordination capacity for security and governance.

17.3 Programme objectives

384. The objectives of this programme are to:

i) Strengthen the capacity of Security Agencies to address Security threats and emergencies;
ii) Enhance efficiency in the delivery of justice, law and order services;
iii) Enhance transparency, accountability, and anti-money laundering systems to ensure effective governance;

iv) Strengthen citizen participation in democratic processes;
v) Enhance compliance with and implementation of the Uganda Bill of Rights;
vi) Promote Uganda's interests at regional and international level;
vii) Strengthen public policy analysis and management; and
viii) Strengthen the administrative, legal, institutional, and coordination capacity for security and governance

17.4 Programme Results

385. The expected key programme results are:

i) Improved rating of Uganda in the Global Peace index;
ii) Increased Democratic Index from 4.94% to 5.5%;
iii) Improved the Corruption Perception Index from 26% to 31%
iv) Increased public satisfaction in governance and JLO services from 59% to 70%;
v) Reduced crime rate;
vi) Improved Governance Effectiveness Index score from 52 to 64;
vii) Enhanced compliance with the Bill of Rights; and
viii) Improved image of Uganda abroad.

17.5 Interventions

386. To achieve the above results, the following interventions (Table 17.1) have been prioritized under this Programme.

Table 17.1: Interventions under the ITDT Programme and respective actors

Interventions	**Actors**
Objective 1: To strengthen the capacity of Security Agencies to address Security threats and emergencies	
1) Create modern and formidable security sector agencies, for security and emergencies a) Improve capacity and capability of the security sector through training and equipment b) Strengthen capacity of security sector to handle changing dimensions of crime. c) Strengthen prevention of trafficking in persons (TIP) d) Strengthen counter-terrorism e) Enhance research and development f) Strengthen security systems g) Strengthen the control and management of small arms and light weapons h) Strengthen identification and registration of persons services i) Strengthen the management of commercial explosives Foreign Nationals issued migration facilities j) Early warning mechanisms strengthened. k) Strengthen the capacity to register, monitor, inspect, coordinate and regulate NGO	Office of the Prime Minister (OPM), Directorate of Citizenship and Immigration Control (DCIC), Uganda Police Force (UPF), External Security Organization (ESO), Internal Security Organization (ISO), Ministry of East African Community Affairs (MEACA), Ministry of Foreign Affairs (MOFA). Ministry of Local Government (MoLG), Office of the President (OP), Ministry of Defence

Interventions	Actors
2) Enhance regional and continental security cooperation a) Strengthen Border control and security. b) Strengthen Regional peace and security engagements	and Veterans Affairs (MoDVA), Ministry of Internal Affairs (MIA), Uganda Prisons Service (UPS), National Identification and Registration Authority (NIRA), Financial Intelligence Authority (FIA), Kampala Capital City Authority (KCCA)
3) Enhance the welfare of security sector personnel a) Improve Housing/Accommodation of Security Sector Personnel b) Enhance Healthcare services of the security personnel c) Provide formal education to the children of security personnel d) Enhance economic empowerment for security personnel and their spouses.	
4) Strengthen the capacity of the security forces and agencies to contribute to national development a) Engage in productive activities for national development b) Strengthen the capacity to register, monitor, inspect, coordinate and regulate the NGOs	
5) Build a vibrant and productive veterans society a) Seamlessly transition, resettle and reintegrate veterans into productive civilian livelihoods.	
6) Establish and operationalize the National service programme a) Promote ideological orientation for national development. b) Coordinate implementation of the National service programme.	
7) Strengthen responses that address refugee protection and assistance a) Receive, screen, register, and settle refugees b) Process asylum seekers through the RSD processes c) Engage in regional and international meetings and organizations	
8) Strengthen the Role of Non-State actors in refugee responses a) Coordinate with international and local partners for relief b) Reinforce the integration of refugee projects and frameworks within mandated structures c) Align non-state actor services with national priorities	
Objective 2: To Strengthen public policy management, legal and institutional frameworks	
1) Strengthen coordination of the policy and legislative-making processes a) Develop and review appropriate legislation b) Simplify, translate and disseminate available laws, policies and standards c) Enhance public participation in law reform and review processes d) Develop and review effective policies e) Domesticate regional and international laws, protocols and treaties	
2) Enhance oversight and monitoring of policy implementation for service delivery a) Monitor and evaluate the implementation of public policies, program and projects b) Inspect compliance to legislative frameworks	
3) Strengthen institutional framework for policy and legislative processes coordination and implementation a) Strengthen enterprise governance oversight b) Build institutional and executive capacities	

Interventions	Actors
4) Enhance the administration of programme services of the Presidency. a) Provide technical and logistical support to the Presidency.	
Objective 3: To enhance efficiency in the delivery of justice, law and order services	
1) Enhance equitable access to justice for social economic development a) Develop appropriate infrastructure for justice, law, and order b) Promote equitable access to justice through Legal Services (Legal Aid, Justice for Children, refugees) c) User empowerment and enhanced public awareness on JLO Services d) Strengthen transitional justice and informal justice processes	MIA, UPF, UPS, NIRA, Directorate of Government Analytical Labaratory (DGAL), MoJCA, Office of the Directorate of Public Prosecutions (ODPP), DCIC, Judicial Service Commission (JSC), ULRC, Uganda Human Rights Commission (UHRC), Uganda Registration Services Bureau (URSB), Law Development Centre (LDC), Ministry of Gender Labour and Social Development (MoGLSD), Uganda Law Society (ULS), Tax Appeals Tribunal (TAT), MoLG, EOC (Judiciary collaboration)
2) Strengthen the justice law and order and governance service delivery systems a) Strengthen capacity of institutions and duty bearers including customer care b) Enhance prevention and response to crime c) Re-engineer business processes to reduce red tape in service delivery d) Automate and Integrate JLOS Systems e) Maintain and Support the Chain Linked System	
Objective 4: To strengthen transparency, accountability and anti-money laundering systems for effective governance	
1) Strengthen Anti-Money Laundering Mechanisms a) Increase compliance with the AML/CFT/CPF laws b) Improve collection and dissemination of information to Competent Authorities c) Strengthen International Cooperation in AML/CFT/CPF d) Enhance the identification of proceeds of crime e) Increase public awareness and understanding of matters related to ML/TF/PF f) Enhance the efficiency and effectiveness of FIA to execute FIA Mandate	Inspectorate of Government (IG), Office of the Auditor General (OAG), Directorate of Ethics and Integrity (DEI), Leadership Code Tribunal (LCT), Public Procurement and Disposal of Assets Authority (PPDA), State House, OP, ISO, FIA, UPF, ODPP, MoJCA, URSB, MoFPED, OIAG, Office of the Accountant General (OIAcG.), MIA, DCIC, NGO Bureau, and KCCA
2) Enhance public demand for accountability a) Develop and implement Public Awareness campaigns and programmes to empower Citizens to participate in accountability processes b) Strengthening collaboration and building effective partnerships with state and non-state actors. c) Strengthen the implementation of a social accountability strategy to increase public demand for accountability.	
3) Strengthen prevention and detection of corruption and enforce Anti-corruption Measures a) Strengthen the mechanism for whistle-blower and witness protection b) Leverage technology for anti-corruption efforts (digitization, digitalization and digital transformation)	

Interventions	Actors
c) Enhance investigation and prosecution of corruption cases d) Strengthen financial due diligence on prospective investors e) Strengthen the coordination of anti-corruption and accountability f) Strengthen the capacity of anti-corruption and accountability agencies in the fight against corruption	
4) Strengthen monitoring of Government programmes for effective service delivery a) Strengthen the capacity of the stakeholders to monitor government programmes b) Review and implement the monitoring framework for government programmes	
5) Enhance Compliance to anti-corruption and accountability rules and regulations a) Coordinate Uganda's compliance with national, regional and international anti-corruption and accountability legal obligations. b) Empower public sector governing bodies to achieve effective internal oversight of management operations and institutional productivity. c) Enhance the scope, quality and impact of audits iv. Enforce compliance with the public procurement system	
6) Strengthen Asset Recovery Framework a) Strengthen mechanisms for tracing and recovering illicit enrichment and unexplained wealth b) Strengthen the legal and regulatory framework for Asset Recovery, Management and disposal	
7) Mainstream anti-corruption initiatives (such as Transparency, accountability and Anti-Corruption- TAAC) in all MDA plans, projects/programmes and budgets a) Develop and roll out the TAAC mainstreaming strategy to support the mainstreaming and coordination of Anti-Corruption initiatives. b) Conduct capacity building and institutional strengthening of the MDALGs	
8) Strengthen the recognition and award system for outstanding civic contributions to motivate individuals and organizations. a) Strengthen the national incentive framework for recognition and award b) Implement initiatives to promote a culture of pan-Africanism, nationalism, patriotism and service above self in the interest of national development	
Objective 5: To strengthen citizen participation in democratic processes	
1) Strengthen democracy and electoral processes a) Develop and implement the Civic Education Policy b) Improve management of electoral processes. c) Increase participation of the population (including vulnerable persons) in electoral processes. d) Strengthen Election Security e) Promote democratization across the East African Community.	MoJCA, MIA, MoLG, MEACA, MoFA, Electoral Commission (EC), NIRA, UHRC, Equal Opportunities Commission (EOC), UPS, UPF, ISO and ULRC.
2) Strengthen identification and registration services a) Verify Citizens and update the national voters register.	

Interventions	Actors
3) Secure efficient and effective National Identification Register a) Promote and strengthen continuous person registration processes	
Objective 6: To enhance compliance with and implementation of the Uganda Bill of Rights	
1) Integrate HRBA in policies, legislation, plans and programmes a) Review and assess policies and legislation for compliance with HRBA principles	MIA, UPF, UPS, NIRA, DGAL, MoJCA, ODPP, DCIC, JSC, ULRC, UHRC, URSB, LDC, MoGLSD, ULS, TAT, MoLG, EOC (Judiciary collaboration)
2) Strengthen civic education on the rule of law and the Bill of Rights a) Simplify and popularize the bill of rights b) Conduct research	
3) Ensure regular reporting and effective implementation of Human Rights recommendations and NAP a) Monitor state compliance with human rights standards b) Produce timely reports and engage respective MDAs to implement the recommendations.	
4) Fast track the disposal of Human Rights and Equity Complaints a) Enhance efficiency and effectiveness in the disposal of complaints of human rights violations	
Objective 7: To promote Uganda's interests at regional and international level	
1) Strengthen bilateral and multilateral relationships at both regional and international level	MoFA, MEACA, MoDVA, ESO, OP, State House, ISO, Missions Abroad and MoJCA.
2) Ensure adherence to regional and international laws and commitments	
3) Provide diplomatic, protocol and consular services both at home and abroad	
Objective 8: To strengthen the administrative, legal, institutional, and coordination capacity for security and governance	
1) Strengthen government institutions for effective and efficient service delivery a) Payment of fixed costs (wage and non-wage) b) Administrative and legal reforms c) Processes automation, integration and optimization	All MDAs

Source: National Planning Authority, 2024

17.6 Implementation reforms

387. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

17.7 Programme Human Resource Requirements

388. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 17.2: Estimated 5-year occupation and skills gaps for Governance and Security Programme

Occupations Title	Status	Estimated 5-year Gaps	Entry-Level Education
Anti-Corruption Specialists		150	Master's
Anti-Money Laundering Specialists		138	Master's
Anti-Trafficking Specialists		160	Master's
Border Security Analysts		120	Bachelor's
Cyber Intelligence Analysts and Experts		350	Master's
Cybercrime Investigators		260	Bachelor's
Cybersecurity Analysts		150	Bachelor's
Cybersecurity Architects		120	Master's
Data Privacy Experts		250	Bachelor's
National Security Analysts		225	Master's
Public Security Management Specialists		250	Master's
Risk Management specialists		125	Bachelor's/ Master's
Security Analysis Trainers		125	Master's
Security Infrastructure Planners		340	Master's
Strategic Intelligence Analysts		300	Master's
Import-export Administrator		580	Diploma
Passport Officers (Issuing)		325	Bachelor's
Motor Vehicle Examiner		2,435	Diploma
Prison Wardens		910	Bachelor's
Prison Guards		2,223	Diploma
Custodial Services Officers		805	Diploma
Conflict Resolution and Peacebuilding		820	Bachelor's
Criminal Justices		800	Bachelor's
Disaster Risk Management		1,652	Bachelor's
Human Rights		1,137	Bachelor's
Network Security		651	Bachelor's
Public Policy analysts		1,843	Master's
Lawyers		(2,031)	Bachelor's
Security Guards		(11,892)	O-level Certificate
General Security Personnel		(1,100)	O-level Certificate
Governance Data Clerks		(9,300)	O-level Certificate
Office Support Staff		(2,000)	Bachelor's
Police Officers		(9,000)	Diploma/ Bachelor's
Policy Implementation Officers		(6,000)	Bachelor's
Records Clerks		(4,000)	Bachelor's
Security Assistants		(4,000)	O-level Certificate
Security Service Providers		(8,000)	Diploma/ Bachelor's
Security Supervisors		(7,000)	Diploma/ Bachelor's

Source: NPA HR Projection Model. ***Figures in brackets represent over supply, otherwise, net demand

CHAPTER 18: LEGISLATION, OVERSIGHT AND REPRESENTATION PROGRAMME

18.1 Introduction

389. **Effective legislation, oversight, and representation promotes and protects good governance through establishing the necessary checks and balances, ensuring alignment with the development aspirations.** Effective legislation provides the legal framework which provides a conducive environment for economic, social, and political activities. Oversight ensures that laws and policies are effectively implemented and public resources are used efficiently and transparently. Representation allows diverse voices, including marginalized communities, to influence policy-making, ensuring that development strategies are inclusive and responsive to the needs of the entire population. Together, these elements help create a governance structure that supports sustainable economic development, reduces poverty, and improves living standards.

390. **Legislation, oversight and representation are central for realizing the plan.** Enactment, review and amendment of appropriate legislation and policies encourages innovation, quality standards, fair trade practices and incentivizes investment in value in the priority growth areas. This also fosters the knowledge economy as it protects intellectual property and establishes frameworks for digital infrastructures. The programme supports the development and maintenance of priority infrastructure such value addition infrastructure, SGR & MGR, GKMA, and stadia for AFCON through appropriation of resources and oversight. Through the representation function, the programme ensures effective appropriation and mobilization of marginalized and local communities to effectively participate in the wealth creation initiatives such as the Parish Development Model (PDM) and EMYOOGA.

391. **This Programme contributes to the realization of the Agenda 2030, the Africa Agenda 2063, the EAC Vision 2050 and the Uganda Vision 2040.** By ensuring alignment of the government expenditure to the original approved budget, the programme contributes to Agenda 2030 (SDG 16.6) which emphasizes development of effective, accountable and transparent institutions. The Africa Agenda 2063 (Goal 2) calls for building strong institutions for development and facilitating the emergence of development oriented and visionary leaders. The EAC Vision 2050 (Aspiration 11 and 12) emphasizes inclusivity & a participatory approach to development and building sound economic institutions, legal and policy frameworks for long-term socio-economic transformation. The Uganda Vision 2040 aims to strengthen the legislative and oversight capacity.

392. **Effective legislation, oversight, and representation is constrained by:** slow legislative processes; weak alignment of plans to the budgets; poor attendance of plenary and committee sessions by MPs and LCs; inadequate capacity of MPs and LCs to carry out their roles; and weak policy, legal, regulatory, institutional and coordination framework.

393. **The goal of the programme is efficient legislation, representation, and accountability for results.**

18.2 Situation Analysis

394. **There has been progress in reducing the turnaround for the enactment of legislation, however, the process is still slow.** There has been an increase in the percentage of bills processed by Parliamentary Committees within 45 days to 76% in FY2023/24 from 64% in FY2022/23. The Local Governments have managed to process 9 ordinances and byelaws against 11 submitted to Local Councils over the same period. KCCA has managed to process 5 ordinances against 11 submitted to the Council of the Authority over the same period. The Uganda Law Reform Commission (ULRC) revised 418 laws against 397 that were planned for FY2022/23, and during FY 2023/2024 after the law revision exercise the Uganda Law Reform Commission revised 350 laws by a comprehensive count this after the entire clean-up of the statute book which arose out the law revision exercise (Miscellaneous Amendments Act, 2022). A bill-tracking system has been established which has enabled fast-tracking the enactment of bills, reducing the time lag between the passing of bills and their submission to the President. However, the legislative process is slow, with limited public participation. The Bill tracking system is scaled down into modules which are supposed to be cascaded down to the respective votes including ULRC to tap into all nodes involved in the value chain of the legislative making processes which include functions like capturing petitions, audit recommendations, committee hearings, resolutions, action taken reports, question, loans, motions and enhancing the research function of the ULRC.

395. 7. **There have been efforts to enhance evidence-based legislation and the capacity of legislative actors, however, the actors still have inadequate capacity, partly contributing to the slow legislative process**. There is improved use of evidence to support legislation through strengthened collaboration and comprehensive collection of data during pre-legislative studies to inform the bill drafting process. Consequently, 35 legislative studies were undertaken in FY2023/24 against 26 planned. There have been arrangements to enhance the capacity of MPs, Parliamentary Commission staff and KCCA councilors based on their skills requirements through induction and continuous staff development which has facilitated compliance with statutory requirements. However, there exists capacity gaps among MPs, KCCA and Local government Councilors which hinders timely evidence-based legislation. Furthermore, there are inadequate skills in legislative drafting in emerging and specialized areas such as oil & gas, emerging digital technologies among others.

396. 8. **There has been improvement in alignment plans to the budget, however, gaps exist.** The proportion of MDA and LG budgets aligned to the NDP improved to 71.4% in FY2023/24 from 54.8% in FY2020/21. However, fiscal indiscipline in form of supplementary budgets have resulted in over spending and diversion of funds from productive areas, leading to low attainment of targeted results. In addition, the system to assess the implementation of

parliamentary and Public Accounts Committee (PAC) recommendations is lacking. Further, the structural alignment of Parliament and Local Council (LC) committees connotes to the sectoral approach to planning which has affected the capacity of MPs and LCs to implement their oversight role.

397. **There is improved attendance of plenary and committee sessions by MPs and LCs;** There is improved attendance of MPs both in Plenary and Committees registered at 84% and 92% in FY 2023/24 from 73% and 87% in FY 2022/23 respectively and improved attendance of Ministers in Plenary sessions of Parliament. There is improved attendance of KCCA Councilors both in Plenary and Committees registered at 67% and 80% in FY 2021/22 to 75% and 89% in FY 2023/24 respectively. However, there is diminished quality and participation in committees: Leadership and membership of the different committees is done by the whips who are on several occasions not technically proficient in constituting the respective committees. This normally breeds professional mismatches in the committee and compromises the quality of their leadership and participation.

398. **There have been efforts to strengthen the institutional and coordination framework of the programme through several programme working group engagements and reporting.** Additional staff were recruited to strengthen the capacity of the Parliamentary Service, a new conference system for 12 committees and meeting rooms was procured, installed, and commissioned to ensure efficient audio-visual recording and management of committees and other parliamentary meetings. Capacity development seminars and workshops for Parliamentary Committee Members, Parliamentary Service staff and Local Councils in five districts in core areas to wit; tailored training course in research methods and report writing, Advanced Editing and Writing Skills training for the Hansard Department, Effective management training of Political Offices, Best practices training for Protocol Officers, Effective Writing Skills training. Purchased vehicles to facilitate the work and activities of Parliament. However, the programme is still affected by capacity gaps of the programme actors to effectively execute their mandate under the programme such as understaffing and limited skills. Other gaps exist due to the outdated digital infrastructure that may be needed to enhance coordination within the programme such as lack of integrated data generation systems, which affects programme assessment. Further, there is still weak collaboration amongst the programme actors to effectively deliver on some interventions such as enhancing legislative processes.

399. **To ensure efficient legislation, representation, and accountability for results, this programme focuses on:** increasing effectiveness and efficiency in legislative processes; improving alignment of plans to the budgets; improving the quality of representation at all levels; and strengthening institutional capacity of the programme.

18.3 Programme Objectives

400. The objectives of this programme are to:

i) Increase effectiveness and efficiency in legislative processes;
ii) Strengthen oversight and budget alignment to the NDP;
iii) Enhance effectiveness of representation at all levels; and
iv) Strengthen institutional capacity of the programme.

18.4 Programme Results

401. The Programme thus aims to achieve the following key results by the end of FY2029/30.

i) Improved legislative processes as measured by the proportion of laws enacted against those presented from 63.2% (2023/24) to 90% by 2029/30;
ii) Improved alignment of the national budget to the NDP as measured by the Certificate of Compliance (COC) from 71.4% (2023/24) to 90% by 2029/30;
iii) Strengthened accountability for all government projects and programmes;
iv) Improved responsiveness of Parliament and LCs to the needs of the people as measured by citizen scorecard from 57% in 2021 to 70% by 2030; and
v) Improved Programme performance from 76% (2023/24) to 90% by 2029/30

18.5 Interventions

402. To achieve the above results, the following interventions (Table 18.1) have been prioritized under this Programme.

Table 18.1: Interventions under the Legislature, Representation and Oversight Programme and respective actors

Programme Objective	Interventions
Increase effectiveness and efficiency in legislative processes;	(i) Develop and upgrade legislative tracking systems (ii) Implement peer review mechanisms for subsidiary legislation (iii) Conduct legislative reviews and updates (iv) Ratification of international treaties (v) Enhance collaboration between legislative actors (vi) Strengthen mechanisms for fast tracking legislative business (vii) Strengthen citizen participation in legislative processes
Strengthen oversight and budget alignment to the NDP	(i) Strengthen the capacity of Parliament and Local Councils to scrutinize and approve budgets, and conduct oversight. (ii) Strengthen mechanisms for Parliamentary and local council oversight function

Programme Objective	Interventions
	(iii) Develop a system to monitor budget implementation and compliance. (iv) Strengthen follow-up mechanisms for budgetary actions
Enhance effectiveness of representation at all levels	(i) Strengthen the whipping mechanisms for both plenary and committees (ii) Strengthen engagements between Parliament, local councils and the citizens (iii) Participate in national, regional and international fora
Strengthen the institutional capacity of the programme.	(i) Develop physical infrastructure for programme operations. (ii) Develop and upgrade digital infrastructure for programme operations. (iii) Strengthen the capacity of programme actors to undertake their mandate (iv) Strengthen the production and utilization of evidence for Parliament and Local Council business (v) Strengthen the programme secretariat

Source: National Development Plan, 2024

18.6 Implementation Reforms

403. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

18.7 Programme Human Resource Requirements

404. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 18.2: Estimated 5-year occupation and skills gaps for Legislature, Representation and Oversight Programme

Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Budget and Fiscal policy Analyst	15	17	18	15	10	Master's
Legislative Draftsmen	20	25	27	22	18	Master's
Anti-Trafficking Specialists	14	16	18	20	22	Master's
Counterterrorism Experts	130	140	150	160	170	Master's
Crisis Negotiators	80	90	100	110	120	Master's
Cybercrime Investigators	100	110	120	130	140	Bachelor's
Data Privacy Experts	80	75	70	65	60	Bachelor's
International Relations Experts	40	50	60	70	80	Master's
National Security Analysts	25	35	45	55	65	Master's
Risk Management	35	30	25	20	15	Bachelor's
Technology Policy Analysts	50	45	40	35	30	Master's
Transport Economists	69	75	84	89	92	Bachelors
General Policy Analysts	109	129	153	178	194	Bachelors
Auditors	167	189	205	227	265	Bachelors
Criminal Justice	320	340	360	380	400	Bachelor's

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Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Economics (Advanced)	102	112	130	138	142	Master's
Human Rights	214	221	227	234	241	Bachelor's
International Relations	257	264	272	280	289	Bachelor's
Investment Management	274	282	290	299	308	Bachelor's
Journalism	900	1,040	1,060	1,080	1,200	Bachelor's
Law Enforcement	257	264	272	280	289	Diploma
Parliamentary Legal Advisors	97	105	121	135	154	Bachelor's
Parliamentary Budget Officer	32	35	24	21	15	Bachelor's
Public Policy	260	280	309	480	514	Master's
Advocacy occupations	(595)	(560)	(525)	(490)	(455)	Bachelor's
Community Development	(1,225)	(1,295)	(1,400)	(1,470)	(1,575)	Bachelor's
Lawyers/Advocates (General Practice)	(600)	(820)	(932)	(1,139)	(1,540)	Bachelor's
Political Science	(750)	(770)	(806)	(867)	(902)	Bachelor's
Public Administration	(350)	(420)	(490)	(560)	(700)	Bachelor's
Public Relations Specialists	(260)	(250)	(240)	(230)	(220)	Bachelor's
Librarian (Parliamentary Library)	(873)	(921)	(963)	(984)	(1,045)	Bachelor's
Administrative Assistants	(980)	(1,024)	(1,176)	(1,265)	(1,342)	Bachelor's
Records Officers	(768)	(790)	(871)	(923)	(987)	Bachelor's
Office Attendants	(882)	(922)	(1,058)	(1,139)	(1,208)	Bachelor's
Data Entry Clerks	(742)	(783)	(819)	(836)	(888)	Bachelor's
Research Assistants	(917)	(967)	(1,011)	(1,033)	(1,097)	Bachelor's
ICT Support Staff	(1,068)	(1,116)	(1,282)	(1,379)	(1,463)	Bachelor's

Source: National Planning Authority, 2024

CHAPTER 19: PUBLIC SECTOR TRANSFORMATION PROGRAMME

19.1 Introduction

405. **An efficient public sector delivers high quality public goods and services which creates an enabling environment for businesses to thrive and enhances quality of life**. By providing robust infrastructure, such as reliable transportation networks and stable utilities, the public sector reduces operational costs and enhances logistical efficiency for businesses. Effective regulation and transparent governance create a fair and predictable business climate, fostering confidence and encouraging investment. Additionally, the public sector' role in delivering social services such as education and healthcare, not only improves workforce skills and productivity but also enhances overall wellbeing of citizens. By addressing these foundational needs, the public sector ensures that businesses can operate smoothly, innovate, and grow, ultimately contributing to a dynamic and prosperous economy.

406. **The public sector transformation is pivotal in ensuring efficiency and responsiveness in service delivery which is essential for realization of the priorities of this Plan**. By enhancing efficiency, transparency, and accountability within public institutions, the government can create a more conducive environment for investment and innovation thereby supporting value addition and industrialization. Efficiency gains resulting from rationalization of entities, adoption of e-governance services will free up additional resources for investments in key growth areas. Further, deepening decentralization will support the full operationalization of wealth creation initiatives such as PDM and EMYOOGA, enhancing local economic development. Development and enforcement of service and service delivery standards will improve the quality, quantity, costing, transparency, and timeliness of public services.

407. **The programme contributes to the realization of global, regional and national development agenda**. Specifically, SDG 16, emphasized the need for effective, accountable and inclusive institutions. Africa Agenda 2063, aspiration 3, envisions good governance, democracy and respect for human rights underpinned by capable institutions and transformative leadership. Similarly, the EAC Vision 2050 highlights the importance of good governance and strong institutions as being fundamental to achieving economic growth, social development and regional integration. Together, these frameworks underscore the critical role of a robust public sector in fostering institutional capacity, ensuring effective governance, and driving sustainable development. The programmes also support the achievement of the Uganda Vision 2040 which aims to institute measures to strengthen public sector management and administration by ensuring that the public officials are fully responsible and accountable to all the resources under their control.

408. **The potential of the public sector to ensure efficiency and responsiveness in service delivery is hindered by:** high level of corruption and abuse of office; limited optimization of financial and non-financial resources; weak accountability systems and undue focus on processes rather than results; limited automation of service delivery processes; weak performance management systems; inconsistent implementation of decentralization policy; and poor talent management.

409. **The goal of this programme is a public sector that is efficient and responsive to the needs of the public**.

19.2 Situation Analysis

410. **There have been efforts to combat corruption and abuse of power in the public domain, however, these problems persist.** Compliance to accountability rules has improved as a result of strengthening the public procurement regulatory framework and extensive auditing by the Office of the Auditor General (OAG) and the Office of Internal Auditor General (OIAG). These efforts identified financial statement errors worth Shs. 11.3 trillion and prevented financial losses of Shs. 197 billion in the FY. More efforts such as enhancement of the capacity of the Inspectorate General of Government, establishment of specialized anticorruption units, and public finance management reforms have been undertaken to reduce corruption. Despite these efforts, corruption remains a significant challenge, costing the country approximately Shs. 9.1 trillion annually. Public procurement is particularly vulnerable, with 15-30% of contract values lost to corrupt practices. There are high rates of absenteeism in the public sector especially in the health and education sectors. Approximately 1 out of every 2 health workers is absent at any given day in a health care facility. On average, 1.9 hours out of 7 hours of classroom time is lost due to absenteeism per day.

411. **Optimization of public sector resources is hampered by overlapping mandates and resulting in duplication of efforts and lack of flexibility.** There has been effort to streamline civil service and remove overlaps of mandates through the ongoing Rationalization of Government Agencies and Public Expenditure (RAPEX). However, multiple government ministries, departments, and agencies still have similar or conflicting responsibilities, leading to inefficiencies and wasteful public expenditure. These inefficiencies strain the budget, as resources are spread thinly across redundant initiatives instead of being focused on priority areas. It also contributes to bureaucratic red tape, making it difficult for citizens and businesses to timely access public services.

412. **Accountability systems and institutions have been strengthened, however, accountability for results is still low.** With the introduction of programme approach, budget alignment to results has been strengthened. However, accountability systems across the public sector still exhibit weaknesses. Performance contracts for all accounting officers have not

been effectively administered and enforced. This has weakened public service accountability for results and has built a less than satisfactory work ethic in public service.

413. **Efforts have been made towards achievement of an e-government, however, automation of service delivery processes is still limited**. About 62% of government services are provided online, making them more accessible and reducing the need for physical visits to government offices. However, the pace of automation within the public sector remains inadequate, hampering the efficiency and effectiveness of public services.

414. **Government recruits good talent, but faces challenges in managing, retaining, and ensuring its effective performance.** There have been improvements in aligning employees' competencies with their roles, with 98% of public officers qualifiied with their respective job roles. The introduction of performance-based contracts and the establishment of key performance indicators (KPIs) has improved individual accountability and focus on results. However, the reward and sanctions mechanisms are weak, there is low staff motivation, inadequate talent retention, and weak performance management. Inadequate training and development opportunities for staff limit their ability to meet performance expectations and career growth.

415. **There have been advancements in decentralization, however, the implementation of decentralization policy remains inconsistent.** Implementation of the policy has brought services closer to the people, and enhanced local participation in decision making. Despite the intent to devolve powers and responsibilities to local governments, several functions have been recentralized, limiting autonomy and effectiveness of local authorities. The proliferation of administrative structures has increased the administration costs of government. Many local governments face challenges in mobilizing local resources which limits their capacity to deliver decentralized services effectively. Capacity gaps and uneven implementation of local government policies have led to disparities in service quality across regions.

416. To ensure that the public sector is efficient and responsive to the needs of the public, this programme focuses on: strengthening accountability mechanisms; strengthening human resource management in the public sector; enhancing adoption and usage of e-government services; streamlining government structures and institutions for efficient and effective service delivery; and deepening decentralization and local economic development.

19.3 Programme Objective

417. The objectives of this programme are to:

i) Strengthen accountability for results across government;
ii) Streamline government structures and institutions for efficient and effective service delivery;

iii) Strengthen human resource management for improved service delivery;
iv) Deepen decentralization; and
v) Automate business processes in the public sector.

19.4 Programme Results

418. The Programme thus aims to achieve the following key results by the end of FY2029/30:

19.5 Interventions

419. To achieve the above results, the following interventions (Table 19.1) have been prioritized under this Programme.

Table 19.0.1: Interventions under the Public Sector Transformation Programme and respective actors

Interventions	Actors
1. Strengthen governance and oversight functions 2. Enforce compliance to Laws, regulations, guidelines and processes 3. Foster a culture of accountability and transparency with government	4. IG, MoPS, PSC, UBC, NPA, KCCA, OPM, LGs
5. Develop and review regulatory frameworks	6. MoPS, PSC, IG, MoICT, LGs, KCCA
1. Develop, document, disseminate and monitor Service Delivery Standards (SDS) 2. Develop client charter and feedback mechanism 3. Strengthening public sector performance management initiatives	4. MoPS, LGs, KCCA
1. Undertake Structural reviews of MDAs and LGs 2. Strengthen Programme Secretariat structures	3. MoPS, PSC,
1. Strengthen the Human Resource Management functions 2. Development of HR policies, regulations and guidelines 3. Review the existing legal, policy, regulatory and institutional frameworks to standardize regulation and benefits in the public service 4. MDAs and Local Government supported to implement HR policies 5. Strengthen implementation and evaluation of HR Policies, Regulations and Guidelines	6. PSC, MoPS

Interventions	Actors
1. Strengthen recruitment in MDAs and LGs 2. Update and operationalize e-recruitment 3. Build capacity of technical staff in conducting productivity assessment 4. Strengthen Capacity of public officers in Human Resource Management 5. Design and implement a rational salary structure for the service 6. Implement pay reform across the public service 7. Reform the public service pension system 8. Strengthen Professionalization of cadres in Public Service 9. Timeliness in recruitment for declared vacant positions 10. Design and implement motivation strategy for the public service.	11. PSC, LGs, MoLG, KCCA, MoPS
1. Strengthen human resource management in government 2. Institutionalize knowledge management in Public Service operations and management systems 3. Operationalize Public Service Negotiating, Consultative and Disputes Settlement Machinery	4. MoPS, LGs, KCCA
1. Build LG decentralization and self-reliance capacity 2. Review Implementation of Fiscal Decentralization Architecture. 3. Develop and implement a Partnership Policy and Strategy for engaging Private Sector and Non-State actors in KCCA. 4. Operationalize the parish development model in Kampala. 5. Enhance decentralization structures and functions in the City	6. LGFC, KCCA, LGs
1. Develop and broadcast MDAs NDP IV digital content (documentaries, feature stories, talk shows, and promotion materials).	2. LGs, MoICT-NG, UBC,
1. Studying emerging technologies for integration in public sector transformation. 2. Strengthen Government Institutions in Records and Information Management 3. Improve access to public records and information management practices 4. Provide timely, accurate and comprehensive public information. 5. Implement integrated decentralized service delivery model to facilitate access to public services under one roof	6. MoPS, LGs, KCCA

Interventions	Actors
1. Creating a compendium of service delivery processes/ system 2. Elimination of process/ system redundances, overlaps and duplications in service delivery systems. 3. Reducing the cost of doing business by government.	1. MoPS
1. Integrate government ICT services. 2. Enforce adoption and implementation of e-government services	3. NIRA, NITA-U, MoICT, MoPS, LGS, KCCA
1. Re – engineer and automate key government processes.	2. NITA-U, MoICT, MoPS, NIRA, LGS, KCCA

Source: National Planning Authority, 2024

19.6 Implementation reforms

420. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

19.7 Programme Human Resource Requirements

421. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 19.0.2: Estimated 5-year occupation and skills gaps for the Public Sector Transformation Programme

Occupations Title	Estimated 5-year Gaps					Entry-Level Education
	2025/26	2026/27	2027/28	2028/29	2029/30	
Anti-Corruption Specialists	70	80	90	100	110	Master's
Anti-Money Laundering Specialists	15	18	25	35	45	Master's
Anti-Trafficking Specialists	70	80	90	100	110	Master's
Artificial Intelligence Specialists	130	125	120	115	110	Master's
Auto Body Repair	100	110	120	130	140	Bachelor's
Auto Electrical	130	125	120	115	110	Bachelor's
Auto Mechanics	111	116	122	131	143	Bachelor's
Big Data Analysts	100	95	90	85	80	Master's
Biostatistics	50	60	70	80	90	Master's
Blockchain Developers	110	105	100	95	90	Bachelor's
Border Control Specialists	50	60	70	80	90	Bachelor's
Educational Policy Analysts	140	130	120	110	100	Master's
Educational Research Analysts	160	140	120	100	80	Master's
Energy Policy Analysts	20	15	10	5	5	Master's
Environmental Policy Analysts	150	145	140	135	130	Master's
Genetic Counseling	40	50	60	70	80	Master's
Operations Research Specialists	12	17	22	27	32	Master's

Public Security Management Specialists	40	45	50	55	60	Master's
School Curriculum Analysts	130	120	110	100	90	Master's
Business Innovation	853	894	915	954	980	Bachelor's
Business Management	420	524	613	659	714	Bachelor's
Civil Engineering	560	592	640	672	720	Bachelor's
Disaster Risk Management	311	321	330	340	350	Bachelor's
Economics	280	290	300	310	367	Bachelor's
Food and Beverage Processing	900	1,040	1,060	1,080	1,200	Diploma
Housing and Urban Development	900	1,200	1,400	1,600	2,000	Bachelor's
Human Resource Management	920	980	1,060	1,080	1,900	Bachelor's
Human Rights	214	221	227	234	241	Bachelor's
International Development	106	120	130	143	152	Master's
International Relations	257	264	272	280	289	Bachelor's
Investment Management	274	282	290	299	308	Bachelor's
Journalism	900	1,040	1,060	1,080	1,200	Bachelor's
Waste Management and Recycling	860	880	900	920	940	Lower Secondary
Water and Sanitation Management	860	880	900	920	940	Bachelor's
Water Resource Management	320	400	480	560	640	Bachelor's
Accounting occupations	(700)	(665)	(630)	(595)	(560)	Bachelor's
Advocacy occupations	(595)	(560)	(525)	(490)	(455)	Bachelor's
Banking and Insurance	(700)	(665)	(630)	(595)	(560)	Bachelor's
Business Administration	(560)	(525)	(490)	(455)	(420)	Bachelor's
Commercial Cleaners	(1,930)	(2,150)	(2,450)	(2,760)	(2,890)	Bachelor's
Community Development	(1,225)	(1,295)	(1,400)	(1,470)	(1,575)	Bachelor's
Customer Service Representatives	(290)	(280)	(270)	(260)	(250)	Diploma
Front Office Managers	(525)	(630)	(700)	(770)	(875)	Bachelor's
Gender and Development	(1,050)	(1,120)	(1,190)	(1,260)	(1,330)	Bachelor's
Gender Studies	(350)	(420)	(490)	(560)	(630)	Bachelor's
Journalism	(1,000)	(1,200)	(1,400)	(1,600)	(2,000)	Diploma
Lawyers	(1,500)	(1,800)	(2,000)	(2,200)	(2,500)	Bachelor's
Office Administration	(2,800)	(3,000)	(3,200)	(3,400)	(3,600)	Diploma
Office Cleaning	(1,200)	(1,400)	(1,600)	(1,800)	(2,200)	Primary Level
Personal Finance	(1,230)	(1,320)	(1,450)	(1,680)	(1,820)	Bachelor's
Sanitation and Hygiene	(1,500)	(1,800)	(2,000)	(2,200)	(2,500)	Bachelor's
Social Work and Social Administration	(2,820)	(2,960)	(3,250)	(3,810)	(4,010)	Bachelor's

Source: NPA HR Projection Model. * Figures in brackets represent over supply, otherwise, net demand**

CHAPTER 20: REGIONAL DEVELOPMENT

20.1 Introduction

422. **Regional development programs are crucial for enhancing the effectiveness of the decentralization and minimizing regional imbalances & inequalities**. By focusing on region-specific needs and priorities, these programs address disparities in infrastructure, education, healthcare, and economic opportunities. They strengthen local governance by empowering local authorities to develop and implement development plans, bringing services closer to the people, increasing accountability, and overall national cohesion. They foster optimal use of resources by tapping into local potentials.

423. **The programme aims to minimize regional imbalances & inequalities and deepening of decentralization which supports realization of results of the Plan.** Minimizing regional imbalances and inequities ensures that all regions have equal access to opportunities and resources. This fosters value addition in priority growth areas by ensuring mass production of raw materials and processed products. Efficient local governments support the provision of value addition infrastructure by facilitating technical processes such as acquisition of land. Increased participation of the population across regions in productive activities enhances uptake of STI fostering new sources of growth. By deepening decentralization, the programme will provide necessary structures and systems for effective implementation of the wealth creation initiatives such as PDM and EMYOOGA. Furthermore, addressing regional disparities ensures that revenue-generating activities are not concentrated in only a few areas. By fostering local economic development, the programme empowers local authorities to generate revenue through localized taxation and asset management. Local economic development supports cost-effective delivery of social services by utilizing local resources, fostering community initiatives and encouraging partnerships that enhance sustainability and relevance.

424. **The programme contributes to the realization of global, regional and national development agenda**. The Agenda 2030 (SDG 10 & 1) seek to reduce inequality within and among countries and end poverty in all its forms. The Agenda 2063 (Goal 1) advocates for a high standard of living, quality of life, and well-being for all. The EAC Vision 2050 aspires to reduce the percentage of people living below the poverty line. The Uganda Vision 2040 emphasizes balanced development by ensuring that all regions of the country benefit from growth of the national economy.

425. **Efforts to minimize regional imbalances & inequalities and deepening of decentralization are undermined by**: limited and underdeveloped regional product value chains; limited capacity to generate revenue; inadequate economic and social infrastructure; lack of ownership of results and accountability of key government programmes; regressive

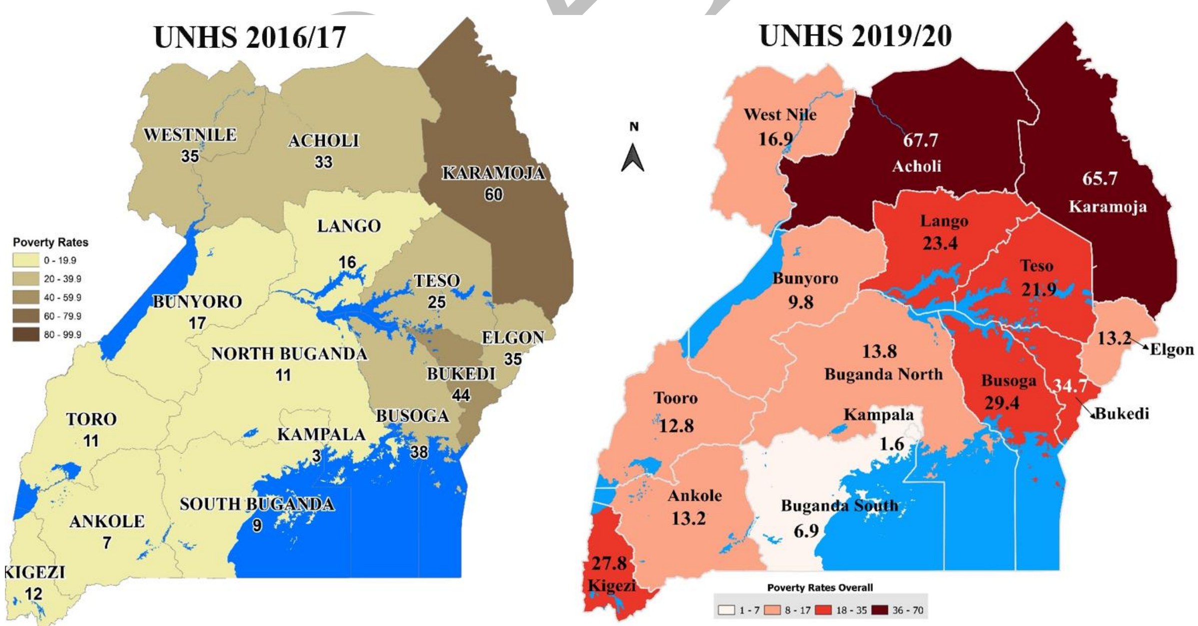
cultural norms & beliefs and historical factors; and weak legal, institutional, coordination, and regulatory capacity for effective delivery of decentralized services.

426. **The goal of this programme is improved delivery of decentralized services and balanced regional development.**

20.2 Situation Analysis

427. **Commendable progress has been registered in reducing poverty, however, it remains high amidst high vulnerabilities and regional disparities**. Headcount poverty has reduced to 20.3% in FY2019/20 from 21.4 in FY2016/17. Poverty eradication efforts have yielded mixed results across regions. Poverty levels in Bugisu, West Nile, Busoga, Bukedi, and Teso have reduced while Kigezi, Lango, Acholi, and Karamoja have registered increases in poverty. Even in some areas where poverty reduced such as Busoga, Bukedi, and Teso, it remains above the national average. Vulnerability is high in all regions evidenced by the inconsistent patterns in the poverty rates. Regions such as Lango, Acholi, and Karamoja experienced a decline in poverty rates in 2016/17, but it increased in the FY2019/20. Figure 20.1 illustrates regional patterns in the poverty rates. The regional imbalances are underpinned by several factors as detailed below.

Figure 20.1: Poverty Maps Indicating Poverty Status between FY2016/17 and FY2019/20



Source: Uganda Bureau of Statistics

428. **Agro-ecological zones have been established to maximize agricultural productivity, however, these have not been effectively leveraged thereby undermining the**

development of specific value chains. The country has been zoned into 14 agro-ecological zones based on the unique soil properties and climatic conditions, however, interventions are not focused on the value chain development of the specific commodities within the zones. For example: (i) Teso was zoned for beef cattle, cassava and poultry; (ii) Acholi was zoned for cassava, poultry, vegetable oil, horticulture and maize; and (iii) Karamoja for beef cattle, vegetable oil, horticulture and sunflower. The interventions have been spread across several other commodities, limiting the optimal exploitation of the selected value chains. The failure to adhere to the agro-ecological zoning constrains the potential of PDM to enhance production and productivity.

429. **Local revenue collections have increased as a result of improved tax administration, however, this is low due to a narrow tax base and widespread tax evasion.** Total tax revenue collections increased to Shs. 287.1 billion in FY2023/24 from Shs. 247.2 billion in FY 2018/19. This performance is largely attributed to increase in collections from local service taxes and property rates, and the improvement in revenue administration through automation of processes (e-LogRev, IRAS). However, less than 5% of local government budgets are funded by locally generated revenue. The dismal performance is partly attributed to corruption, inadequate enforcement mechanisms, and lack of accurate data on taxable properties and businesses.

430. **Stocks of economic and social infrastructure have increased over the years, though more efforts are still needed**. During the FY2021 and FY2023/24, 731 kms of community access road and 12 markets, 2 markets, high-level value addition facilities for Arua and Busia Markets and xx water for production facilities, etc. constructed across municipalities, districts and new cities to promote production and value addition; xx new secondary schools and xx health facilities established as well and xx HCIIs upgraded to HCIIIs. However, more economic and social facilities are needed for enhancing value addition and the growing population and existing ones fully operationalized for effective utilization. Under USMID (2019/20-2023/24) 99.5km of urban roads and 4.5km of stand-alone storm water drainages constructed and 556 standalone streetlights and 2 signalized junctions installed in 22 municipalities. The project focused on provision of urban infrastructure and local economic development d across the country. However, the urban authorities lack proper planning for O&M, care after investment and struggling to transit from Municipalities to real Cities. Their strategic and physical planning aspects do not fully take advantage of the existing investment opportunities such as industrial parks, transport hubs, real estate development for local and regional economic growth

431. **The number of refugees is high amidst dwindling external support.** Between 2017 and 2023, the refugee population increased by 200,000 to 1.55 million. Nearly 92 percent of these refugees live in settlements alongside host communities in some of the poorest and most underdeveloped districts in Uganda. This has led to increasing pressure on resources for

delivery of decentralized service amidst declining global humanitarian and development aid. Consequently, the capacity of Uganda's refugee response to adequately meet the needs of refugees and host communities has been severely affected.

432. **To minimize regional imbalances and inequalities as well as deepen decentralization, the programme will focus on:** enhancing the capacity of Local Governments to deliver decentralized services; supporting the LED; enhancing capacity to generate local revenue; enhancing refugee management; fostering affirmative action; and enhancing legal, institutional, coordination, and regulatory capacity for effective delivery of decentralized services.

20.3 Programme Objectives

433. The objectives of this programme are to:

i) Enhance local revenue generation
ii) Enhance and sustain local economic development
iii) Strengthen affirmative action in lagging regions and refugee hosting communities
iv) Enhance institutional efficiency and effectiveness.

20.4 Programme Results

434. The Programme thus aims to achieve the following key results by the end of FY2029/30:

i) Increased Local Revenue in all local Governments;
ii) Increased Funding to Local Governments;
iii) Expanded Local Revenue base;
iv) Job growth among local communities;
v) Household enterprises growth;
vi) Reduced regional disparities and vulnerability;
vii) Improved institutional efficiency and effectiveness;
viii) Improved leadership capacity for transformative Rural development;
ix) Improved delivery of services by LG and community structures within the regions; and
x) Increased Community Satisfaction and Trust in Local Governance.

20.5 Interventions

435. To achieve the above results, the following interventions (Table 20.1) have been prioritized under this Programme.

Table 20.1: Programme interventions and actors

Interventions	Key actors
Objective 1: Enhance local revenue generation	
1. Strengthen the implementation of the legal frameworks for LG funding	LGFC, MoLG

Interventions	Key actors
2. Enhance funding for LG development projects	LGFC, MoLG
3. Strengthen Governance and management structures for sustainability of PDM SACCOs and Emyooga	MTIC
Objective 2: Enhance and Sustain Local Economic Development	
1. Coordinate the development of LG LED specific strategies	MOLG, LGs
2. Support development of LG LED specific projects	OPM, LGs, MOLG
3. Develop regional LED strategies	MoLG
4. Develop Regional Physical Development Plans	NPA, MLHUD
5. Support development of City Physical Development Plans	NPA, MLHUD, MOLG
Objective 3: Strengthen affirmative action in lagging regions and refugee hosting communities	
1. Coordinate, Implement, Monitor and Evaluate affirmative action interventions by state and non- state actors.	OPM
2. Supervise and Monitor implementation of Government Programmes in affirmative action regions.	OPM
3. Carry out Research on emerging policy issues in affirmative action regions	OPM
4. Develop and implement integrated regional development plans to address region specific needs and harness local potential and opportunities	NPA, OPM, MDAs
5. Establish framework for localization, social cohesion and enhancing economic opportunities for both refugees and host communities	
Objective 4: Enhance institutional efficiency and effectiveness	
1. Coordinate policy implementation, programme planning, implementation and reporting	MOLG
2. Procure goods, services and supplies	MOLG
3. Undertake administrative and oversight functions	MOLG
4. Pay staff wages, salaries	MOLG
5. Build capacity of LG Leaders	MoLG
6. Functionalize LG structures	MoLG

Source: National Planning Authority

20.6 Implementation reforms

436. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Implementation of recommendations from decentralization evaluation; and
ii) Redesign the Parish as a strategic unit for Local Economic Transformation.

20.7 Programme Human Resource Requirements

437. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

CHAPTER 21: ADMINISTRATION OF JUSTICE

21.1 Introduction

438. **An efficient administration of justice system ensures a stable and predictable legal environment which is essential in fostering investment and economic activities.** An efficient judicial system ensures the enforcement of contracts, protection of property rights, and resolution of disputes, thereby enhancing investor confidence and encouraging both domestic and foreign investments. The administration of justice upholds the rule of law, promotes fair competition, and protects individual & corporate rights, contributing to social stability and sustainable economic growth. It also fosters trust in the government and institutions, which are essential for a functioning democracy.

439. **Administration of justice ensures adherence to the rule of law which is essential for the realization of the priorities of this Plan**. Effective and timely adjudication of commercial disputes will unlock private capital held up in the justice system which can be invested in key growth areas. This also boosts investor confidence which is key for attracting investments. Enforcement of intellectual property laws protects proprietary rights of investors in literary, scientific, and artistic works which is crucial for promotion of STI and culture & creative industry. Effective Local Council courts support implementation of government programmes such as PDM and EMYOOGA by providing informal and friendly justice processes. Prioritizing land justice fosters accelerated implementation of infrastructure projects through timely determination of land ownership rights and quantum of compensation.

440. **The Programme contributes to the realization of global, regional and national development agenda.** Agenda 2030 (Goal 16) emphasizes access to equal justice for all. Africa Agenda 2063 (Goal 11) advocates for democratic values, practices, universal principles of human rights, justice and the rule of law. The EAC Vision 2050 (Pillar 3.6) calls for entrenchment for access to justice and rule of law in all partner states. Similarly, the Uganda Vision 2040 emphasizes the consolidation of the tenets of good governance which include constitutional democracy; protection of human rights; the rule of law; transparency and accountability; government effectiveness and regulatory quality; effective citizen participation in development processes among others.

441. **The efficiency of the administration of justice system to provide a stable and enabling business environment is hindered by:** high volume and sophistication of crime; inadequate number and the skills of human resource; slow expansion and integration of automated system; limited access to legal aid by vulnerable person; gaps in the legal and regulatory framework; corruption within the administration of justice; congestion in detention centers; weak informal justice processes; and inadequate physical infrastructure.

442. **The goal of this Programme is improved access to justice for all.**

21.2 Situation Analysis

443. **The case disposal rate has been improved, however, there are still delays in the resolution of cases due to high volume and sophistication of crime leading to case backlog.** Disposal rate of cases has increased to 63% in FY2022/23 from 49.3% in FY2020/21, largely due to increased investment & innovation in case management, and improvement in forensic analysis. There has also been improvement in conviction rate of cases to 70.36% in FY2022/23 from 60.0% in FY2020/21. Consequently, case backlog in the justice system reduced to 22.2% in FY2022/23 from 32% in FY2020/21. However, this is still high, largely due to the high volume of cases registered, inadequacies in the criminal investigation, limited legal aid and inadequate human resource capacity of justice actors. Currently, the detective to case ratio stands at 1:39 against the globally recommended ratio of 1:12 and the prosecutor to case ratio is at 1:346. Only 85 Community Service field staff serving the country makes it hard for effective service delivery. In regard to civil litigation, the Ministry of Justice and Constitutional Affairs has a total of 76 attorneys with each attorney handling between 240-300 files against the desired position of an attorney to 50 files. The Industrial Court has only two Judges serving the entire country out of the recommended 5. There are only 32 Probation and Welfare Officers/Assistant Probation and Welfare Officers in all remand homes against the total juvenile population of 1,028 juveniles i.e. probation officer to juvenile ratio of 1:32.

444. **The slow expansion and integration of automated systems affects efficiency in the management of cases**. The existing systems such as Electronic Court Case Management Information System (ECCMIS) and Prosecution Case Management Information System (PROCAMIS) have not been widely rolled out and integrated. There is a slow pace of automation of Electronic Policing Information System (ePIS) and Prisons Management Information System (PMIS) and other supportive electronic systems. There are also skills gaps especially in usage of technologies such as e-justice systems and emerging technologies such as Artificial Intelligence.

445. **Congestion in detention centers still persists despite a reduction in proportion of prison population on remand**. The proportion of prison population on remand reduced to 48.5% in FY2022/23 from 52.2% by close of FY2021/22 but this reduction is not substantial hence the need to scale up the use of other non-custodial means such as community service and Alternative Dispute Resolution (ADR). By December 2023, 2,338 remand prisoners on petty offences and 2,058 remand prisoners on capital offences had surpassed the mandatory period on remand of 2 and 6 months without being committed to high court, respectively. In addition, 4,738 prisoners committed to High Court for trial have spent more than 2 years without trial. The proportion of juveniles on remand by the end of FY 2023/24 was 76.7% (759 out of total population of 989 juveniles).

446. **There is high demand of legal aid services by vulnerable persons, however, capacity to provide legal aid still limited**. Provision of legal aid to the poor, vulnerable, and marginalized remains a challenge in access to justice. These services are provided by Law Deveopment Centre -Legal Aid Clinic (LDC-LAC), Justice Centres Uganda (JCU), the Judiciary and non-state actors. The Judiciary continues to offer state briefs in High Court Circuits and Chief Magistrate Courts. i.e. legal aid for persons accused of capital offences who cannot afford legal costs, but lacks resources to cover all indigent persons. Between FY2020/21 and FY2023/24, the LDC-LAC handled 5,648 cases (4,770 male and 878 female) through legal aid out of the 18,000 that registered for the service, due to inadequate resources.

447. **Gaps in the legal and regulatory framework hinder effective administration of justice.** Absence of witness protection law has created gaps in providing protection, safety and confidentiality of witnesses in court proceedings. Lack of the legal aid law affects regulation of legal aid service providers. Lack of Mutual Legal Assistance Law affects the handling of cross-border crimes. The absence of Recovery of Proceeds of Crime Law has created gaps in execution of decisions from corruption-related cases. In addition, there are gaps in the KCCA legislation for supervision of law enforcement officers and their activities in enforcing the ordinances passed by KCCA Notwithstanding the provision of the Constitution of Uganda, marriages, divorce & succession disputes of Mohammedans in Qadhi Courts have not been operationalized due to absence of enabling law.

448. **Limited capacity of Local Council Courts in the management of cases limits access to justice at the grass root level**. There has been a significant increase in people going to local council courts to 26% in 2024 from 13% in 2020, however, the capacity of these courts is still low. This is largely attributed to lack of quorum in some courts, limited facilitation, limited support supervision leading to low adherence to operational standards. The gaps in Local Council Courts if not addressed will further congest the formal justice system.

449. **Efforts have been made to fight corruption within the justice system, however, incidents of corruption persist, undermining public trust**. The Judiciary's Inspectorate of Courts has continued to work closely with the Judicial Service Commission to hold errant officers accountable. Specifically, 102 cases have been were handled by the disciplinary committee and appropriate actions have been taken between FY2020/21 and FY2023/24. In addition, institutions such as ODPP, Uganda Police Force (CID), Prisons, and LDC continue to implement complaints handling and feedback mechanisms as avenues for interaction with the users of the justice services specifically in identifying gaps and corruption tendencies in justice service delivery. Despite these efforts, corruption remains a big challenge to the delivery of justice.

450. **Lack of harmonization of the formal and informal justice system hinders adoption of the tradition and indigenous systems as alternatives to dispute resolution**. Whereas, the tradition and indigenous systems provide expeditious and cost-effective justice delivery, their utilization is limited. This is largely due to lack of harmonization with the formal justice systems which hinders proper coordination in administration of justice. In addition, limited implementation of the Transitional Justice Policy, 2019, and lack of Transitional Justice Law hinders transitional justice.

451. **Despite considerable milestone being recorded in terms of infrastructure improvement for justice system actors over the years, the situation is far from ideal**. Over the last three years, the Supreme Court and Court of Appeal buildings have been completed together with Mukono High Court and Patonga Grade One court. Different court buildings in the districts of Adjumani, Tororo, Sheema, Alebtong, Abim, Budaka, Kyegegwa, Karenga and Lyantonde are at different levels of completion. In the same vein, construction and equipping of AJP service delivery points in different districts is at different levels of completion. These include ODPP regional offices in Soroti, Mbale, Jinja, Jinja, Alebtong, Madi-Okollo, Palisa, Kamwenge and Amuria. Also, a number of police posts are under construction and renovation including: Palabek in Lamwo; Kato-Imvepi police post in Terego and Ofua IV in Rhino Camp police post in Madi Okollo. However, one of the most enduring challenges is the inadequate physical infrastructure and scarcity of decent institutional houses in hard to reach/hard to stay areas. This has undercut gains made in terms of operationalization of justice service delivery points as duty bearers stay away from their respective stations. In addition, there are only seven operational remand homes and one rehabilitation centre serving the entire country. Most of these facilities were constructed in the early 1950s with a total holding capacity of 50 juveniles per facility against juvenile population of 150 juveniles and congestion of 166.2% in remand homes in FY23/24 and its associated effects of inadequate accommodation space, poor health conditions and pressure on available resources.

452. **To ensure improved access to justice for all, this Programme focus on**: reducing case backlog in the commercial and land court divisions; improving staffing & skilling; expanding and integrating automated system; increasing access to legal aid by vulnerable persons; strengthening the legal and regulatory framework; increasing public trust in the justice system; reducing congestion in detention centers; harmonizing formal & informal justice processes; and improving physical infrastructure.

21.3 Programme Objective

453. Under this programme, the following objectives will be pursued:

i) Strengthen a people-centered justice delivery system;
ii) Strengthen and reform Justice business processes; and

iii) Strengthen Administrative, Legal, Institutional and Coordination capacity for Administration of Justice.

21.4 Programme Results

454. The Programme thus aims to achieve the following key results by the end of FY2029/30:

21.5 Interventions

455. To achieve the above results, the following interventions (Table 21.1) have been prioritized under this Programme.

Table 21.1: Programme interventions and actors

Interventions	Actors
Objective 1: Strengthen a people-centered justice delivery system	
1. Promote use of Alternative Dispute Resolution in resolving disputes	Judiciary, ODPP, Tax Appeals Tribunal, LDC-Legal Aid Clinic, Justice Centres Uganda, MoGLSD (Industrial Court), KCCA, Uganda Law Society
2. Strengthen case management	Uganda Police Force, Directorate of Government Analytical Laboratory (DGAL), ODPP, Judiciary, Uganda Law Society, MoLG (Local Council Courts)
3. Strengthen provision of legal aid services and state brief scheme	LDC-Legal Aid Clinic, Justice Centres Uganda, Judiciary, MoLGSD (Labour and Juvenile Justice), Uganda Law Society
4. Strengthen Implementation of court orders and promote human rights-based custody	Uganda Prisons Service, MoGLSD (Juvenile Justice), Judiciary, KCCA
5. Increase the coverage of justice service delivery points	Judiciary, Uganda Police Force, Uganda Prisons Service, MIA/DCS, JSC, ODPP, DGAL, MoIA (Community Service), MoGLSD (Labour and Juvenile, KCCA), Justice Centres Uganda, DGAL
6. Rehabilitate and Equip administration of Justice delivery points	Judiciary, Uganda Police Force, Uganda Prisons Service, MIA/DCS, JSC, ODPP, DGAL, MoIA (Community Service), MoGLSD (Labour and Juvenile Justice), KCCA, Justice Centres Uganda, TAT, DGAL
7. Implement special programmes that promote equal opportunities to reduce vulnerability	MoGLSD (Juvenile Justice), Judiciary, Uganda Prisons Service, JSC

Interventions	Actors
8. Increase public awareness and advocacy for Justice services.	Judiciary, JSC, KCCA, Justice Centres Uganda, MOGLSD, Uganda Prisons Service
9. Strengthen quality assurance in the administration of Justice	Judiciary, ODPP, MoGLSD, Uganda Prisons Service, Uganda Police Force, MoLG (Local Council Courts, DGAL, Justice Centres Uganda, TAT, JSC, LDC-LAC
Objective 2: Reform and strengthen Justice business processes	
1. Increase efficiency and effectiveness of justice delivery processes	ODPP, Judiciary, KCCA, DGAL, Uganda Police Force, Uganda Prisons Service, MoGLSD, JSC
2. Strengthen case records management systems	Judiciary, JSC, KCCA
3. Strengthen measures to reduce case backlog	Judiciary, ODPP, TAT, MoLG (Local Council Courts), DGAL, Uganda Police Force
4. Strengthen research and innovation in administration of justice	LDC, JSC, Judiciary, DGAL, ODPP, MoGLSD
Objective 3: Strengthen Administrative, Legal, Institutional and Coordination capacity for justice service delivery	
1. Strengthen legal and regulatory mechanisms for effective and efficient justice service delivery	MoGLSD, KCCA, Judiciary, ODPP
2. Strengthen the capacity of Administration of Justice Institutions and Rights holders to fight corruption	JSC, Judiciary, ODPP, Uganda Police Force
3. Enhance harmonization and compliance to service delivery standards	Judiciary, Uganda Prisons Service, ODPP
4. Strengthen government institutions for effective and efficient service delivery	All Institutions

Source: National Planning Authority, 2024

21.6 Implementation Reforms

456. The key implementation reforms required to fully implement this Programme and realize expected goals in the next five years are:

i) Strengthen the capacity of justice actors to speedily dispose of commercial and land matters;

ii) Review the institutional service delivery structures such as community service, prisons services, prosecution function to align to the coverage of courts as per the new jurisdictions as opposed to number of districts;
iii) Automate and Integrate Justice Management Information Systems to enhance efficiency and effectiveness in justice service delivery along the value chain;
iv) Strengthen legal framework to address existing gaps in; a) criminal prosecution to inform decisions on the appropriate options for the proper management of delivery of prosecution services in the country, b) witness protection, c) legal aid service, d) transitional justice, and alternative dispute resolutions;
v) Harmonize informal and formal justice system;
vi) Strengthen and streamline delivery of justice to vulnerable and marginalized groups facing multiple and intersectional discrimination e.g. children, refugees, women, elderly and PWDs; and
vii) Ease access to justice by the physically challenged persons, through making justice delivery points such as courts adaptable to their needs and improvising services such as sign language interpretation, braille service, ramps, and lifts.

21.7 Programme Human Resource Requirements

457. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

Table 21.2: Estimated 5-year occupation and skills gaps for Administration of Justice Programme

Occupations Title	Estimated 5-year Gaps					Entry-Level Education
	2025/26	2026/27	2027/28	2028/29	2029/30	
Anti-Corruption Specialists	70	80	90	100	110	Master's
Anti-Money Laundering Specialists	15	18	25	35	45	Master's
Anti-Trafficking Specialists	70	80	90	100	110	Master's
Cybercrime Investigators	100	110	120	130	140	Bachelor's
Cybersecurity Analysts	120	115	110	105	100	Bachelor's
Cybersecurity Architects	60	55	50	45	40	Master's
Data Privacy Experts	80	75	70	65	60	Bachelor's
Justices and Judges	125	135	146	156	167	Bachelors
Chief Magistrates	15	17	18	21	22	Bachelors
Magistrates (Grade One)	50	60	65	70	75	Bachelors
Legal Executive	128	141	155	171	188	Bachelors
Clerk of Court	77	85	93	102	113	Bachelors
Court Bailiff	55	61	67	73	81	Bachelors
Registrars	32	36	42	44	50	Bachelors
Law Clerk	128	141	155	171	188	Bachelors
Private Investigator	255	261	267	273	281	Diploma
Forensic Detective	175	183	196	210	233	Diploma
Detective Intelligence	105	116	127	140	154	Diploma
Inspector (SAPS)	190	199	209	220	232	Diploma
Drugs Officer	145	150	154	160	166	Diploma
Adjudicator	133	137	140	144	149	Bachelors
Court Orderly / Court Registry Officer	252	258	263	270	277	Diploma
Law Clerk	196	206	117	128	141	Diploma

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Occupations Title	Estimated 5-year Gaps					
	2025/26	2026/27	2027/28	2028/29	2029/30	Entry-Level Education
Private Investigator	151	167	175	189	194	Diploma
Associate Legal Professional	302	325	356	386	397	Diploma
Labour Dispute Enforcement Agent	116	105	97	55	44	Diploma
Civil Engineering	560	592	640	672	720	Bachelor's
Conflict Resolution and Peacebuilding	120	140	160	180	220	Bachelor's
Counseling and Guidance	210	220	240	260	280	Bachelor's
Criminal Justice	320	340	360	380	400	Bachelor's
Law Enforcement	257	264	272	280	289	Diploma
Public Policy	260	280	309	480	514	Master's
Senior State Attorneys	50	61	73	82	89	Master's
Forensic Scientists	102	115	119	123	128	Master's
Principal Human Rights Officers	109	118	125	136	142	Master's
Public Defenders	201	222	234	254	261	Master's
Advocacy occupations	(595)	(560)	(525)	(490)	(455)	Bachelor's
Banking and Insurance	(700)	(665)	(630)	(595)	(560)	Bachelor's
Lawyers/Advocates (General Practice)	(600)	(820)	(932)	(1,139)	(1,540)	Bachelor's
Political Science	(750)	(770)	(806)	(867)	(902)	Bachelor's
Public Administration	(1,050)	(1,120)	(1,190)	(1,260)	(1,330)	Bachelor's
Public Relations Specialists	(260)	(250)	(240)	(230)	(220)	Bachelor's
Court Clerk	(1,034)	(1,344)	(1,747)	(2,272)	(2,953)	Diploma
Court Interpreters	(516)	(570)	(941)	(1,240)	(1,410)	Diploma
Paralegal	(967)	(1,547)	(1,733)	(1,941)	(2,173)	Diploma

Source: NPA HR Projection Model. * Figures in brackets represent over supply, otherwise, net demand**

CHAPTER 22: DEVELOPMENT PLAN IMPLEMENTATION

22.1 Introduction

458. **Effective planning, financial accountability, implementation oversight, resource mobilization, and systematic budgeting are crucial for achieving the development goals.** Effective planning ensures that development goals are clearly defined, resources are allocated efficiently, and efforts are well-coordinated across government. Mobilization of domestic and international funds supports various development projects, while precise budgeting aligns expenditures with strategic objectives. Oversight not only guarantees judicious utilization of resources but also safeguards against mismanagement, corruption and inefficiencies that could derail development goals. Additionally, robust monitoring and evaluation processes, supported by comprehensive statistical data, enable the timely assessment of progress and the adjustment of strategies. This approach ensures that outcomes are measured accurately, thereby driving sustainable economic growth.

459. **The programme provides a clear and structured approach to achieving the results outlined in national and subnational development plans.** It ensures that all government actions and resources are aligned to the NDP priorities such as high-speed rail, energy infrastructure, industrial parks, PDM, EMYOOGA, GKMA and AFCON. It facilitates coordination among state and non-state actors, ensuring that efforts are not duplicated and resources are used efficiently. It provides mechanisms for evidence-based planning, monitoring and evaluating progress of development initiatives. Implementing a structured development plan helps rationalize allocation and utilization of resources and provides a framework for budgeting and financial management, which are crucial in ensuring that funds are directed toward priority areas and accountability. Certainty in government's development priorities and a structured approach to achieving them boosts investor confidence. The programme allows for adaptive management strategies that can respond dynamically to these challenges, ensuring resilience and sustainability.

460. **The programme contributes to the international, regional and national development agenda.** SDGs 16 and 17 that seek to develop effective, accountable and transparent institutions; enhancing policy coherence, encouraging and promoting public, public-private & civil society partnerships. Agenda 2063 (Goals 12, 19, 20) advocates for capable institutions, functional statistical systems, and innovative financing. The EAC Vision 2050 advocates for effective, accountable, and inclusive institutions at all levels. The Uganda Vision 2040 emphasizes the “business approach” to implementation of government programmes.

461. **Implementation of the National Development Plan to achieve the national priorities is hindered by:** inadequate development planning capacity; inadequate domestic revenue generation; fiscal indiscipline; weak M&E systems to track progress; weak coordination of implementation; and underdeveloped systems for statistical development.

462. **The goal of this programme is increased performance of the National and Subnational Development Plans.**

22.2 Situation Analysis

463. **Successful implementation of the plan is a function of addressing all facets of the implementation cycle**. The cycle revolves around development planning, budgeting, resource mobilization, coordination of implementation, auditing & accounting, statistical collection, research, and monitoring & evaluation. The status of development plan implementation is underpinned by several factors as discussed below.

464. **Development planning capacity has improved, however, it is still a challenge at decentralized planning levels**. By FY2022/23, 93% of Ministries, Departments, and Agencies (MDAs) and 90.9% of Local Governments (LGs) had plans aligned to the NDPIII, however, there was a time-lag in the alignment. In the first year of the Plan (FY2020/21), only 37.8% MDAs and 28.4% LGs had complied. In addition, some of the plans were not sufficiently meeting the required standards. This was primarily due to weaknesses in planning capacity, delays in transitioning from a sector-wide approach to a program-based planning approach, and the lack of synchronization between vote planning frameworks and NDP programmes. Further, the insufficient capacity within MDAs to prepare projects has contributed to poor project execution, slow acquisition of right of way for infrastructure projects, absence of relevant feasibility studies, delays in procurement, and inadequate counterpart funding. For instance, only 35 percent of Public Investment Program (PIP) projects were implemented on time in FY 2022/23. In particular, the performance of externally funded projects has been suboptimal, with a significant portion of the committed funds remaining undisbursed. As of March 2023, out of a total commitment of USD 10 billion across 123 externally funded projects, only USD 5.8 billion was achieved.

465. **Progress has been made in raising domestic revenue, however, it is inadequate to support the implementation of development plans**. Domestic revenue collection has improved, reaching a revenue-to-GDP ratio of 14.3% in FY2022/23 from 12% in FY2017/18. This progress was driven by enhanced tax administration, improved tax policy measures, and stricter enforcement of non-tax revenues. However, domestic revenue is still low, supporting only 52.6% of the national budget in FY2022/23. Consequently, the debt-to-GDP ratio has increased to 46.9% in FY 2022/23 from 34.6% in FY2017/18, raising concerns about debt sustainability, especially with rising repayment obligations that limit fiscal space for critical development priorities. Efforts to increase domestic revenue, such as the Domestic Revenue

Mobilization Strategy have been undertaken, however, slow implementation has hindered their impact. Additionally, innovative financing sources such as climate financing, Islamic financing, and diaspora bonds have not been fully exploited.

466. **Efforts have been made to control fiscal indiscipline, however, over reliance on supplementary budgets and accumulation of domestic arrears undermine budget credibility**. The implementation of the Public Financial Management reforms has been key in establishing frameworks for better control over public expenditures. However, frequent resort to supplementary budgets has become a significant issue, increasing to 7.4% in FY2022/23 from 5.0% of the budget in FY2018/19, which is way above the required threshold of 3%. These supplementary budgets distort the integrity of the budget by diverting funds from critical productive sectors and undermining the successful implementation of the plans. Further, domestic arrears have reduced to UGX 2.7 trillion in FY2022/23 from X% in FY2017/18. However, they are still high, tying up resources that could otherwise stimulate private sector growth.

467. **There have been reforms to improve the monitoring & evaluation systems, however, these have not been fully operationalized**. The Integrated NDP M&E system, which aims to inform the National Development Report (NDR) and Government Annual Performance Report (GAPR), has been partially operationalized with training at the central government level and integration with the Integrated Bank of Projects. However, it remains unintegrated with IFMIS and has not yet reached Local Governments. The capacity enhancement of the OPM to undertake M&E was not actualized. The FY2022/23 Auditor General's report highlighted that only 40% of planned indicators are effectively monitored and only 30% of government projects have adequate M&E plans. Local Governments still lack functional data systems and the Community Information System (CIS) is non-operational. The Programme-Based System (PBS) has not yet fully transitioned to the NDPIII programme approach especially for Local Governments, causing misalignment with the Public Financial Management (PFM) system.

468. **There have been reforms to improve coordination of implementation of NDPs, however, these have not been fully operationalized**. One of the objectives for introducing the programme approach is to improve coordination among actors to focus on delivery of common results, however, critical coordination mechanisms including PWGs and the coordination structure at OPM are not fully operationalized as intended. By FY2021/22, 10 out of 20 NDPIII programmes had fully constituted secretariats. Further, the APEX platform which was aimed at improving supervision and oversight of the Plan has had limited impact due to the secretariat failure to regularly convene to review and act on various reports and produce the expected oversight reports. This has partly contributed to the dismal performance in regards to implementation of NDP, with only 29% of the expected results delivered by 2022/23.

469. **There has been improvement in national statistical system, however, gaps persist which undermine the effective monitoring of the planned results.** There has been digitization of statistical data collection including the flagship 2024 census, development of plans for the national statistical development, deployment of statisticians across MDAs, among other achievements. However, the overall effectiveness of the national statistical system (NSS) is compromised by persistent data gaps and poor-quality administrative data. The expected amendment to the UBOS Act has not taken place, limiting the potential enhancements to the statistical system that the amendment was meant to bring such as collection of administrative data. Furthermore, there are still discrepancies between existing statistical frameworks and the data needs of the NDP, necessitating further efforts to align them.

470. **There is an increase in research output and funding, however, majority of it is academic with remote application to development planning and implementation**. This has been partly due to the delay in approval of the National Research Framework which has restricted the development of a comprehensive National Research Agenda. This lack of coordination and effectiveness in research and evaluation has affected the formulation of development plans and their implementation.

471. **To ensure improved performance of the Plan, this programme focusses on: effective planning, resource mobilization, systematic budgeting, implementation, performance & financial accountability.** Enhancing development planning capacity; increasing domestic revenue generation; strengthening fiscal discipline, strengthening M&E systems to track progress; strengthening coordination of implementation; and strengthening statistical systems for development planning.

472. **The goal of this programme is increased performance of the National Development Plan.**

22.3 Programme Objectives

473. The objectives of this programme are to:

i) Strengthen capacity for evidence-based development planning across Government;
ii) Enhance resource mobilization to finance the National Development Plan
iii) Strengthen budgeting and accountability systems
iv) Strengthen oversight and coordination and M&E across Government

22.4 Programme Results

474. The key results to be achieved under this Programme include:

i) Strengthened economic policy alignment towards growth and employment Creation;
ii) Improved utilization of evidence in policy formulation and decision making;
iii) Increased development returns from public investment;

iv) Enhanced Debt Sustainability;
v) Increased Budget self-sufficiency;
vi) Strengthened Budget controls across government;
vii) Increased contribution of retirement savings; and
viii) Strengthened Coordination, Oversight and M&E functions across Government.

22.5 Interventions

475. To achieve the above results, the following interventions (Table 22.1) have been prioritized under this Programme.

Table 22.1: Development Plan Implementation interventions and respective actors

Interventions	Actors
Objective 1: Strengthen development planning across Government	
1. Focus economic policy towards growth and employment creation	MoFPED
2. Build capacity in development planning and project formulation at all levels of government.	EOC, KCCA, NPA and LGs
3. Strengthen PIMs framework to improve efficiency of public investments.	MoFPED and NPA
4. Generate and use statistical data to inform Development plans at all levels	UBOS, NIRA and LGs
5. Strengthen the research and evaluation function to better inform planning and plan implementation across all government units.	EOC, MoFPED, MoPS, NPA, OP, and URA.
Objective 2: Strengthen resource mobilization to finance the National Development Plan	
1. Build capacity for loan negotiation and structuring.	MoFPED
2. Implement the Public Debt Management Framework/Strategy.	MoFPED
3. Strengthen the capacity of public institutions to collect NTR.	MoFPED, NLGRB
4. Enhance domestic revenue mobilization through sustainable tax policy and administration and expansion of the tax base.	URA, MoFPED, KCCA and NLGRB
5. Align NGO and Development partner financing to national priorities.	MoFPED
6. Increase access non-traditional finance such as green finance, Islamic finance among others.	MoFPED, URBRA and MOFA
7. Strengthen Local Government Revenue Mobilization	LGFC, MoLG and LGs.
8. Strengthen Public-Private Partnerships	MFPED
9. Implement a proactive framework for managing and monitoring tax exemptions	URA
Objective 3: Strengthen budgeting and accountability systems	
1. Enhance budget credibility and fiscal discipline.	MFPED, EOC and NPA
2. Strengthen budget planning and preparation across government.	MFPED

Interventions	Actors
3. Strengthen budget execution across government.	MFPED, MoLG, NPA, PPDA and KCCA
4. Strengthen reporting and accountability systems across government.	MFPED
Objective 4: Strengthen oversight and coordination and M&E across Government	
1. Strengthen Intra and Inter-Programme coordination.	MFPED, OPM
2. Strengthen the oversight function across government.	MFPED, OAG and OP
3. Strengthen the M&E function across government.	OPM, NPA, KCCA and LGs
4. Strengthen institutional capacity for implementation to ensure effective and efficient service delivery across all government units.	DPI votes (MFPED, UBOS, NPA, NLRGB and URA).
5. Coordinate APRM processes and follow up on National Programme of Action	NPA

Source: National Planning Authority, 2024

22.6 Implementation Reforms

476. The key implementation reforms required to fully implement this Programme and realise expected goals in the next five years include:

i) Implement and build capacity for collaborative monitoring and evaluation under the leadership of the OPM to leverage strengths of other critical institutions such as NPA, MoFPED, UBOS, and MoPS;
ii) Implementing the Public Investment Management System (PIMS) reforms to improve the quality and readiness of projects in the Public Investment plan (PIP) by improving governance of projects selection and re-forcing competitive processes to contractors and minimizing costs appendant to the lengthy and cumbersome procurement processes;
iii) Strengthen capacity to access innovative and alternative financing instruments including but not limited to infrastructural bond, green bonds, bilateral and multilateral agreements, Islamic financing, diaspora financing and climate financing through nature for debt swaps, resilient sustainable financing from the IMF and other global financing arrangements.

22.7 Programme Human Resource Requirements

477. To effectively implement the programme interventions, the following critical human resource requirements need to be addressed.

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PART IV: COSTING, FINANCING, RISK MANAGEMENT, AND MONITORING AND EVALUATION

CHAPTER 23: COSTING AND FINANCING OF NDPIII PROGRAMMES

23.1 Overall Cost of the Plan

478. The overall cost of financing the planned programme interventions over the 5-year period is estimated at around UGX 593,646 billion of which UGX 413,206 trillion is contribution by the Public while UGX 180,439 billion is private sector contribution. This means that 69.6 percent of the total resources expected to finance the NDPIV will be from GoU consolidated budget while 30.4 percent is expected from the private sector as shown in Table 23.1 below.

Table 23.1: Overall Cost of the Plan (UGX Billion)

Financing Sources	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Public Sector	413,206	67,797	73,873	81,660	90,227	99,649
% of Total Costing	69.6%	73.5%	71.3%	70.5%	68.8%	66.1%
Private Sector	180,439	24,494	29,672	34,220	40,944	51,109
% of Total Costing	30.4%	26.5%	28.7%	29.5%	31.2%	33.9%
Total Costing	**593,646**	**92,291**	**103,545**	**115,881**	**131,170**	**150,759**

Source: National Planning Authority, 2024

479. The total cost of implementing the NDPIV is cut across the different programmes, of which 24.6% (UGX 146,129 billion) to "Interest, Debt Payments & Domestic Refinancing", 18.7% (UGX 111,213 billion) to the "Human Capital Development programme", 13.7% (UGX 81,554 billion) is expected to go to implementation of the "Integrated Transport Infrastructure and Services programme", 9.9% (UGX 58,637 billion) to the "Governance and Security programme", 5.4% (UGX 32,349 billion) to the "Agro-industrialization programme", while 21.7% is distributed across the remaining programmes as shown in the table below.

Table 23.2: Overall Cost of the Plan by Programme 2025/26 - 2029/30 (Shs. Billion)

Programme	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Agro-Industrialisation	32,349	5,199	5,368	6,097	7,118	8,567
Sustainable Petroleum and Minerals Development	22,753	2,098	3,145	4,356	5,829	7,325
Manufacturing	8,872	1,001	1,257	1,678	2,170	2,765
Tourism Development	19,263	1,958	2,732	3,885	4,821	5,867
Climate Change, Natural Resource, Environment and Water Management	4,234	623	637	780	979	1,215
Private Sector Development	31,672	4,411	5,741	6,334	7,102	8,085
Sustainable Energy Development	15,243	1,777	2,417	2,824	3,697	4,527

Programme	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Integrated Transport Infrastructure and Services	81,554	11,950	13,644	15,515	17,843	22,601
Sustainable Urbanisation and Housing	3,029	327	382	569	777	974
Digital Transformation	9,118	953	1,173	1,628	2,263	3,100
Human Capital Development	111,213	18,539	20,017	21,334	23,970	27,352
Innovation, Technology Development and Transfer	7,406	705	843	1,356	1,871	2,632
Public Sector Transformation	2,120	294	345	431	467	583
Governance and Security	58,637	9,974	10,991	11,921	12,573	13,179
Regional Balanced Development	12,326	1,791	2,002	2,361	2,867	3,305
Development Plan Implementation	11,573	2,066	2,177	2,298	2,435	2,597
Administration of Justice	2,998	534	564	599	629	672
Legislation, Oversight & Representation	6,283	1,122	1,187	1,266	1,314	1,394
Sub-Total	**440,643**	**65,322**	**74,621**	**85,233**	**98,726**	**116,740**
Interest, Debt Payments & Domestic Refinancing	146,129	26,446	27,768	29,156	30,614	32,145
Domestic Arrears	4,900	200	800	1,100	1,400	1,400
Appropriation in Aid/Local Revenue	1,974	323	356	391	430	473
Grand Total	**593,646**	**92,291**	**103,545**	**115,881**	**131,170**	**150,759**

Source: National Planning Authority, 2024

23.2 Public Financing Sources

480. The public sector is projected to be the predominant source of financing, contributing UGX 413,206 billion over five years. This represents an average of approximately 69.6% of the total cost of the Plan. The annual contribution from the public sector displays a steady growth, starting from UGX 67,797 billion in 2025/26 and increasing to UGX 99,649 billion by 2029/30.

481. Government should prioritize the implementation of strategies that increase resources available to finance public investment as laid out in the Domestic Revenue Mobilization Strategy (DRMS). Domestic revenue mobilization is the only sustainable way to increase additional space for sustainable budget expenditures, foster national ownership and reduces dependency on external assistance. This involves broadening the tax base by identifying and tapping into new sources of revenue, enhancing efficiency in revenue collection by minimizing leakages and ensuring compliance through improved enforcement mechanisms,

and reviewing tax exemptions to ensure that the existing ones are performing exactly among other things.

23.2.1 Public Sector Costing by Function 2025/26 - 2029/30

482. Public costing by function is comprised of wage, recurrent and development expenditure. The wage bill is substantial, totalling UGX 53,089 billion (12.8% of public costing) over the five years. There is a consistent annual increase from UGX 8,353 billion in 2025/26 to UGX 12,795 billion in 2029/30, reflecting public service wage increases, due to inflation, increments, and additional recruitment.

483. Non-Wage Recurrent Expenditures, which include operational costs outside of salaries, is expected to total UGX 88,068 billion (21.3% of public costing). These expenditures increase from UGX 15,938 billion in 2025/26 to UGX 19,373 billion in 2029/30, due to increased costs due to expansion of government operations.

484. Development Spending with a total of UGX 73,307 billion (17.7% of public costing), is among the major cost drivers, highlighting the government's focus on infrastructure and project investment to drive growth. There is a progressive annual increase, from UGX 14,873 billion in 2025/26 to UGX 15,350 billion in 2029/30, indicating a scaling-up of development activities over time.

485. Interest, Debt Payments, and Domestic Refinancing as the major cost driver is also significant, totalling UGX 146,129 billion (35.4% of public costing), with a steady year-on-year increase. Starting at UGX 26,446 billion in 2025/26 and rising to UGX 32,145 billion in 2029/30, this highlights the growing burden of debt servicing on the government's fiscal position.

Table 23.3: Overall Cost of the Plan by Function 2025/26 - 2029/30 (UGX Billion)

Category	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Wage	53,089	8,353	9,486	10,700	11,754	12,795
Non-Wage Recurrent	101,790	16,437	17,922	20,223	22,400	24,807
Development	105,325	16,038	17,541	20,090	23,627	28,029
Interest, Debt Payments & Domestic Refinancing	146,129	26,446	27,768	29,156	30,614	32,145
Arrears	4,900	200	800	1,100	1,400	1,400
Appropriation in Aid/Local Revenue	1,974	323	356	391	430	473
Total	**413,206**	**67,797**	**73,873**	**81,660**	**90,227**	**99,649**

Source: National Planning Authority, 2024

23.2.2 Public Sector Costing by Programme 2025/26 - 2029/30

486. Table 3.3 below shows that a significant portion of public spending is allocated across programmes of which 24.6% (UGX 146,129 billion) to “Interest, Debt Payments & Domestic

Refinancing", 18.7% (UGX 111,213 billion) to the "Human Capital Development programme", 13.7% (UGX 81,554 billion) is expected to go to implementation of the "Integrated Transport Infrastructure and Services programme", 9.9% (UGX 58,637 billion) to the "Governance and Security programme", 5.4% (UGX 32,349 billion) to the "Agro-industrialization programme", while 27.6% is distributed across the remaining programmes.

Table 23.4: Public Sector Costing by Programme 2025/26 - 2029/30 (UGX Billion)

Programme	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Agro-Industrialisation	15,972	2,448	2,688	3,079	3,567	4,190
Sustainable Petroleum and Minerals Development	12,568	1,436	1,792	2,453	3,079	3,808
Manufacturing	2,247	258	332	449	551	657
Tourism Development	4,643	464	620	893	1,176	1,489
Climate Change, Natural Resource, Environment and Water Management	3,372	480	523	642	784	944
Private Sector Development	13,013	2,039	2,392	2,642	2,815	3,126
Sustainable Energy Development	9,349	1,368	1,506	1,752	2,140	2,583
Integrated Transport Infrastructure and Services	40,112	6,279	6,763	7,548	8,965	10,557
Sustainable Urbanisation and Housing	1,806	200	235	353	456	563
Digital Transformation	2,302	245	310	436	574	737
Human Capital Development	64,467	10,510	11,405	12,651	14,094	15,807
Innovation, Technology Development and Transfer	4,279	408	511	803	1,090	1,467
Public Sector Transformation	2,120	294	345	431	467	583
Governance and Security	54,734	9,509	10,235	11,110	11,698	12,183
Regional Balanced Development	8,366	1,169	1,365	1,610	1,949	2,273
Development Plan Implementation	11,573	2,066	2,177	2,298	2,435	2,597
Administration of Justice	2,998	534	564	599	629	672
Legislation, Oversight & Representation	6,283	1,122	1,187	1,266	1,314	1,394
Sub-Total	**260,203**	**40,828**	**44,950**	**51,013**	**57,782**	**65,631**
Interest, Debt Payments & Domestic Refinancing	146,129	26,446	27,768	29,156	30,614	32,145
Domestic Arrears	4,900	200	800	1,100	1,400	1,400

Programme	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Appropriation in Aid/Local Revenue	1,974	323	356	391	430	473
Grand Total	**413,206**	**67,797**	**73,873**	**81,660**	**90,227**	**99,649**

Source: National Planning Authority, 2024

23.2.3 Public Financing Strategies

487. The public financing strategies as outlined in the fourth National Development Plan (NDPIV) encompass a broad spectrum of approaches designed to secure funding for developmental goals through both enhancing revenue streams and carefully managing financing mechanisms. This section articulates the core public financing strategies of the NDPIV, detailing efforts in domestic revenue mobilization, tapping into development assistance, leveraging oil and gas revenue, engaging in public-private partnerships, fostering South-South cooperation, and strategic prudent public debt management.

a) Domestic Resource Mobilisation

488. The Domestic Revenue Mobilization (DRM) Strategy is pivotal in plan implementation and should focus on broadening the tax base, enhancing tax compliance, and refining the efficiency of tax collection through several key interventions:

i) **Enhancing Compliance and Enforcement:** Strengthening the capabilities of the Uganda Revenue Authority (URA) to enforce tax laws and target non-compliance, especially among large businesses and professionals, through risk-based audit techniques and stronger investigative measures.

ii) **Tax Policy and Design Reforms:** Initiatives include refining the VAT system to increase productivity and reduce exemptions, renegotiating corporate income tax provisions especially the double tax agreements, and revising personal income tax exemptions for public officials and expatriates, to ensure fairness while promoting the formalization and growth of SMEs.

iii) **Taxpayer Registration and Services Improvement:** This involves making the process of becoming a registered and active taxpayer simpler for those currently outside the system and enhancing taxpayer education and services to support compliance.

b) Public Debt Acquisition

489. A strategic approach to public debt management is critical for sustainable development financing:

i) **Balancing Concessional and Non-Concessional Borrowing:** Prioritizing concessional loans while carefully managing non-concessional borrowing to finance ambitious projects not covered by concessional funding remains key for the NDPIV.

ii) **Minimizing Domestic Borrowing:** To prevent crowding out of the private sector, domestic borrowing targets are set to remain below 1 percent of GDP throughout the NDPIV period.

c) Other Public Financing Sources

i) **Development Assistance and Grants.** Recognizing the significant role of external grants in financing development, NDPIV strategies aim at optimizing development assistance. Government should continue to strengthen international relationships to enhance mutual benefits and respect, focusing on aligning with sustainable development goals and tapping into climate finance.

ii) **Oil and Gas Revenue Generation.** Although the oil and gas sector offers potential for substantial revenue, the NDPIV is cautious about its immediate impact due to the developmental stage of the sector. Nonetheless, prudent management of oil revenues calls for the need for transparency, accountability, and building investor confidence to ensure the sector's growth and the timely realization of oil revenues.

iii) **Public-Private Partnerships (PPPs).** PPPs are recognized as essential for financing major projects in infrastructure, health, and education. Plans are underway to bolster PPP capabilities, building on existing frameworks to enhance negotiation, design, and management of these projects. This approach aims to ensure cost recovery and sustainability of development initiatives.

iv) **South-South Cooperation.** The NDPIV highlights the importance of leveraging relationships with other developing and emerging economies. Strengthening bilateral cooperation by consolidating partnerships, particularly with countries like China, to support infrastructure development through loans and grants is vital for attracting long-term financing.

490. In sum, the NDPIV employs a multifaceted approach to public financing, aiming at not only enhancing internal revenue generation capabilities but also optimizing external funding opportunities and managing debt. Through these strategies, the plan seeks to ensure the successful implementation of its development initiatives while maintaining fiscal sustainability and promoting inclusive economic growth.

23.2.4 Private Financing Sources

491. The private sector's share in financing the plan totals UGX 180,439 billion over the span of five years (Table 21.5). The contribution starts at UGX 24,494 billion in 2025/26 and rises to UGX 51,109 billion by 2029/30. This marks a significant increase and shows the growing

importance of the private sector in financing development, with its share of total costs slightly increasing from 30.4% to 33.9% over the period. The increasing reliance on the private sector for funding reflects confidence in private investment and potentially points to an environment conducive to private sector growth and involvement in national development projects.

Table 23.5: Private Sector Costing by Programme 2025/26 - 2029/30 (UGX Billion)

Programme	Total	2025/26	2026/27	2027/28	2028/29	2029/30
Agro-Industrialisation	16,378	2,751	2,680	3,019	3,551	4,377
Sustainable Petroleum and Minerals Development	10,184	662	1,353	1,903	2,750	3,516
Manufacturing	6,625	743	924	1,229	1,620	2,108
Tourism Development	14,621	1,494	2,112	2,992	3,645	4,377
Climate Change, Natural Resource, Environment and Water Management	861	143	114	138	195	271
Private Sector Development	18,660	2,372	3,349	3,692	4,287	4,959
Sustainable Energy Development	5,894	409	911	1,072	1,557	1,944
Integrated Transport Infrastructure and Services	41,441	5,671	6,881	7,967	8,878	12,044
Sustainable Urbanisation and Housing	1,223	128	147	217	321	411
Digital Transformation	6,816	707	863	1,193	1,689	2,364
Human Capital Development	46,746	8,029	8,613	8,683	9,876	11,546
Innovation, Technology Development and Transfer	3,127	297	331	554	781	1,164
Public Sector Transformation	-	-	-	-	-	-
Governance and Security	3,903	465	755	811	876	996
Regional Balanced Development	3,960	622	638	751	918	1,032
Development Plan Implementation	-	-	-	-	-	-
Administration of Justice	-	-	-	-	-	-
Legislation, Oversight & Representation	-	-	-	-	-	-
Total	**180,439**	**24,494**	**29,672**	**34,220**	**40,944**	**51,109**

Source: National Planning Authority, 2024

23.3.1 Private Financing Strategies

492. This section provides the private sector financing strategies for the National Development Plan (NDPIV), emphasizing the government's commitment to creating a supportive environment for private investment and detailing various sources of private financing. Below is a detail of these strategies:

i) **Private Savings, Cooperatives (SACCOs), and Retirement (Pension) Funds:** These are highlighted as critical components for funding NDPIV priorities. The government will continue to bolster the dialogue with the private sector, aiming to direct private investments into strategic areas of the economy. This includes measures such as reducing pre-investment overhead costs, providing tax incentives to entrepreneurs in key sectors, and promoting cooperatives and SACCOs.

ii) **Blended Finance.** Blended finance is identified as a potential financing source, especially for energy and transport infrastructure projects under NDP. The strategy involves increasing efforts to explore blended finance opportunities, including joint financing of regional projects with neighbouring countries and developing non-traditional financing sources like venture capital and collective investment vehicles.

iii) **Foreign Direct Investment (FDI).** FDI flows are anticipated to rise to an average of 4.5 percent of GDP annually. This increase is expected to support projects requiring Public-Private Partnerships (PPPs). Key government bodies, including the Uganda Investment Authority and the Ministry of Finance, Planning, and Economic Development, are tasked with ensuring an attractive investment climate to facilitate ease of doing business in Uganda.

iv) **Private Remittances and Diaspora Resources.** Recognizing the significant role of private remittances, the government should consider redirecting these funds towards investment in diaspora-focused projects through bonds and encouraging the diaspora to invest in critical development projects.

v) **NGOs/CSOs and Philanthropy.** Streamlining NGO/CSO operations in development plan implementation is key as they finance numerous development projects, with spending up to 1.4 percent of GDP annually. The government should amend registration laws to ensure these organizations align with NDP priorities and strengthen their participation in annual budgeting and planning at various government levels.

vi) **Climate Change Finance.** Uganda's commitment to the Paris Agreement necessitates accessing external financial support for climate change adaptation and mitigation strategies. The lack of bankable climate change projects is a key obstacle. Government should undertake efforts to strengthen the capacity of government agencies and civil society organizations to develop robust proposals for international climate financing.

CHAPTER 24: MONITORING AND EVALUATION

24.1 Introduction

493. **The Monitoring and Evaluation (M&E) strategy for the Plan is informed by the achievements, challenges, and lessons learnt from the NDPII End Evaluation and NDPIII Midterm Review (MTR).** The strategy articulates the NDPIV M&E reforms, the roles and responsibilities of stakeholders, reporting and dissemination mechanisms, processes, required M&E capacities and events. It also includes the results framework that will guide the data collection, analysis and reporting, and information needed to assess implementation progress towards the realization of the NDPIV development goal and objectives.

494. **The overall objective of the M&E Strategy is to support the coordination of programmes, MDAs and LG programmes, and other stakeholders in undertaking monitoring and evaluation of the NDPIV.** The M&E strategy will guide generation of data for: (i) evidence-based planning; (ii) accountability; (iii) monitoring and evaluating policies, programmes and projects; (iv) institutional learning and improvement through data utilization and sharing; and (v) decision making through measuring the performance, outcome and impact of development interventions.

495. **Office of the President will provide overall oversight of the NDPIV implementation, monitoring, and evaluation to enable corrective action to be undertaken.** The Office of the Prime Minister will provide policy direction for M&E and coordinate implementation and monitoring of the Plan. National Planning Authority will undertake periodic evaluations during the Plan period, as mandated, in order to report on progress of implementation to the government and other stakeholders.

24.2 Status of on-going M&E reforms

a) Automated and integrated NDP M&E system

496. The Ugandan government, with support from European Union set out to establish an integrated web-based performance monitoring system which was launched in 2021 by the Prime Minister. The system was designed to enhance the timely assessment of NDP performance. It also aimed to improve the accessibility, quality, and updating of M&E data, increase transparency regarding progress, ensure accountability for results, and consequently boost stakeholder interest and engagement in the reform and implementation processes. It was designed to interface with the Programme-Based Budgeting System (PBS) and Integrated Financial Management Information System (IFMIS).

497. The system has been developed and partially operationalized and has been successfully integrated with the Integrated Bank of Projects and PBS. There has also been widespread training of the technical people. However, there has been delays in training core system users in MDAs and integration with other key systems used in government. For instance, the integration with IFMIS remains pending. Achieving full operationalization of the system will involve enhancing the Management Information Systems (MISs) of Ministries, Departments, and Agencies (MDAs) as well as Local Governments (LGs), along with building their capacity to generate periodic progress reports for the National Development Plan (NDP).

498. The integrated M&E system should be fully operationalized and functional to ensure efficient monitoring and evaluation processes. This will entail linking the M&E system to the PBS as well as MDAs' and LGs' MIS. Additionally, strengthening MDA and LG MISs and building capacity to support generation of NDP periodic progress reports is critical.

b) M&E institutional architecture

499. **High-Level Public Policy Management Executive Forum (Apex Platform).** The Apex Platform was established to strengthen effective public policy management and promotion of good governance and accountability practices. The platform acts as a convener for four government institutions that include Office of the President, Office of the Prime Minister, Ministry of Finance, Planning and Economic Development, and National Planning Authority through an annual NDP forum chaired by H.E the President. The Apex platform was operationalized, and the inaugural APEX Report for FY2020/21 was produced and subsequently launched by H.E. the President of Uganda in 2022. This initial report focused on the implementation of Presidential guidelines and directives. However, the recommendations from the report have yet to be implemented.

500. **Establishment of programme coordinators.** In an effort to expedite the coordination of implementation for the 20 programs, the recruitment of 20 coordinators and M&E specialists as initially planned did not materialize. Consequently, this has led to a sluggish start in coordinating implementation efforts. For better implementation of the programme approach, instituting the programme coordinators is critical to enable OPM to coordinate the NDP M&E framework for which it is charged with.

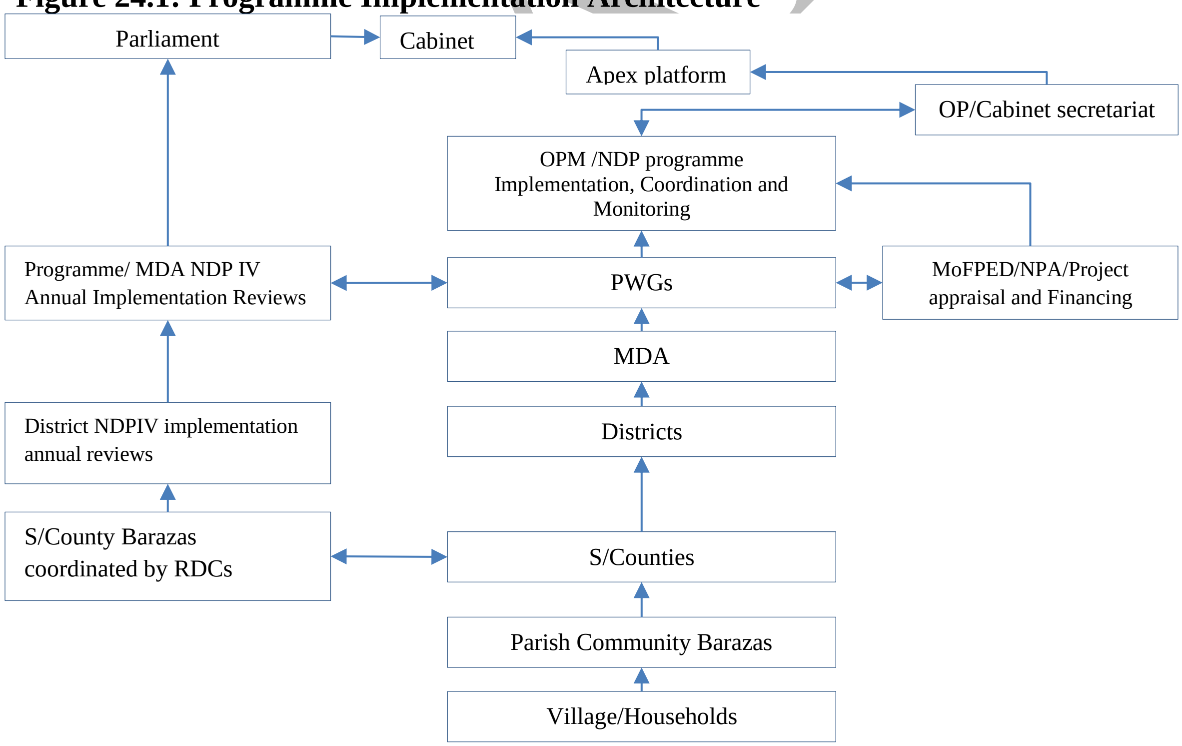
c) Annual Programme Reviews

501. Several programmes have undertaken annual programme reviews, including Integrated Transport and Infrastructure Services, Development Plan Implementation, Private Sector Development, Tourism Development and Agro-industrialization. However, for some, the final outputs of these reviews have been workshop reports. The reviews have also not been guided and focused. Programme secretariats have reported financial and technical constraints hindering their functionality. Consequently, failure to undertake annual reviews has led to

failure to assess the programme performance. During the NDPIV period, programmes will be required to regularly hold annual programme reviews with a focus on the implementation of the NDP results and produce annual programme review reports, to provide progress on implementation of their respective Programme Implementation Action Plans (PIAPs).

502. **Full alignment of the Plan, budget and NDPIII results and reporting framework**. The previous plans (NDPI and NDPII) results frameworks focused on measurement of results at the national aggregate (Macro) and sectoral level where it included indicators for the NDP Goal, objectives, Key Performance Areas (KRAs), sector level outcomes and outputs. For NDPIII, attributes like Programme/Sub-Programme and approved NDPIII projects are integrated into the IFMIS/Chart of Accounts. However, the interventions which are the key unique identifiers of the NDPIII are not part of the budget execution system. The Mid-Term Review (MTR) for NDPIII identified these issues, and its recommendations, which form the basis for the reforms in NDPIV (see Section 23.3), are expected to address and rectify these inconsistencies. Relatedly, the integrated results framework will continue to be the basis for assessment as required in issuance of the Certificate of Compliance. It, therefore, ought to be the basis for formulation of budgets, as well as development of MDA and LG Management Information Systems.

Figure 24.1: Programme Implementation Architecture



24.3 NDPIV M&E reforms

a) National M&E Forum

503. Regular forums to assess the NDP progress will be conducted. While the annual programme reviews will focus on the programme specific issues, the National M&E Forums will seek to address cross-cutting and underlying performance challenges, which are raised both from the programme reviews and the national performance reports (budget and overall performance), as well as duplications regarding evaluations among institutions. Going forward, there is need to develop an Evaluation Agenda for the NDP.

b) Continuously provide technical support to MDAs and LGs to produce administrative data

504. UBOS will be expected to provide technical support to MDAs and LGs to standardize and enhance the quality of administrative data across various institutions and levels. This support will aid in monitoring service delivery and enable UBOS to effectively perform its role of providing reliable and timely data on NDPIV results. Additionally, it will build the capacity of MDAs and LGs to produce reliable data, as NDP results are largely derived from the administrative data generated by these entities.

c) Strengthen the functionality of the M&E and Statistical Units

505. The Monitoring and Evaluation (M&E) function is an unfunded activity, often considered recurrent and subject to budget cuts. Additionally, surveys are not aligned with planning horizons, making them untimely and ineffective for informed planning. To address data availability constraints, proposals to establish dedicated M&E cadres and statisticians in all planning units must be implemented. This should be carried out in accordance with the provisions of the National Evaluations Policy, which advocates for the operationalization of M&E and statistical units within the planning departments of MDAs and LGs.

d) Enforce service and service delivery standards to provide a benchmark for monitoring

506. Whereas service and service delivery standards for Uganda have been developed by Ministry of Public Service, they are yet to be approved. In addition, there are no established service and service delivery standards frameworks to provide a comprehensive and structured approach for their implementation and monitoring. In the NDPIV period, all service delivery units will be mandated to have service and service delivery standards in order to standardize service delivery and increase efficiency and effectiveness with which public services are delivered.

e) Develop an integrated NDP M&E system

507. To ensure real time follow-up on NDP performance, there is need to develop a web-based M&E system with structure templates on key NDP results that Planners at MDA and LG levels will periodically provide progress assessment on NDP performance. In addition, and Chief Finance Officers at LG level will also provide information on what they are spending on over the NDP period. This system also facilitates spot-check validation of the progress information provide.

24.4 Roles and Responsibilities of Key Actors

508. In order to avoid over-laps, role conflicts, and uncertainty in the M&E function during the NDPIV implementation, the specific roles and responsibilities of key actors have been detailed in M&E strategy in addition to the institutional mandates. Key institutions with a role in M&E include Parliament, Presidency, Cabinet, Office of the Prime Minister (OPM), National Planning Authority (NPA), MoFPED, UBOS, BOU, MoPS, MoLG, MDAs, LGs and Non-State Actors (Development Partners, CSOs, Media, Academia, and private sector). Table 24.1 provides a summary of the M&E events and processes

Table 24.1: Main M&E Events

Main M&E Events	Purpose and Description	Output	Lead Agency	Other Key Actors	Time frame
Annual APEX NDP Forum	Overall review for results	- Recommendation reports	OP	OPM, MOFPED, NPA	Annual
National Annual Performance Review	Internal review of implementation of Government policies, projects and programmes	NAPR and NHAPR	OPM	Cabinet and MDAs	Semi-Annual and Annual
Alignment of Plans, BFPs and budgets to the NDPIV	Issue Planning Call Circulars to support alignment of Plans, BFPs and budgets to the NDPIV: Issue guidelines to support alignment of PDPs/LGDPs and BFPs to the Plan at Programme, MDA and LG levels; and organize annual meetings for planners and budget officers to quality assure BFPs and budgets.	- Certificate of Compliance - Planning Call Circular	NPA	MFPED, OPM, Districts, Sub-counties, MDAs	Call Circular: July every year; Meetings for planners: annually
Project idea identification	Facilitate identification of problems for further development into projects	Public Investment Plan	MDAs and LGs	NPA, PSFU, Academia,	Annually

Main M&E Events	Purpose and Description	Output	Lead Agency	Other Key Actors	Time frame
				Researchers, CSOs, and Politicians	
Pre-feasibility studies	Preliminary assessment of technical and funding options	Project profiles	MDAs	NPA and MFPED	Continuous
Feasibility studies	Assessment of technical designs and financial viability, including social and environmental impacts	Feasibility reports	MDAs	NPA and MFPED	Continuous
Project reviews	Validate findings of feasibility studies, focus and conceptual approach	Project reports	NPA	MFPED, MDAs, PIP Technical Committee	Semi - Annual
Project approvals	- Check identification, pre-feasibility, feasibility and review processes - Reassess project/programme direction, planning/ programming	Project financing reports	Development Committee	OP, OPM, NPA, MFPED, MDAs	Annually
Statistics Production Initiatives	Basis for a 'before and after' assessment of the NDP progress	Survey and census reports	UBOS	OPM, NPA, MFPED, other MDAs as well as LGs	Annually
Evaluative studies	Assess the effectiveness, relevance and intermediate and final outcomes	Evaluation reports	OPM, NPA, MFPED, other MDAs as well as LGs	EPRC, MDAs, Civil Society & LGs	Continuous
Programme Annual Reviews	Assess Programme performance, identify challenges and solutions	Programme Annual Review Reports	PWGs, MDAs/ Independent Consultants	NPA, private sector players, Researchers, CSOs, and members of Parliament	Annually
NDPIV/Project Mid-Term Review	Assess mid-term progress of NDPIV and projects and programmes to ensure consistency of implementation with overall focus and objectives	NDP progress reports	NPA	MDAs, MFPED, OPM, LGs, private sector, CSOs, academia, development partners,	January-June 2027

Main M&E Events	Purpose and Description	Output	Lead Agency	Other Key Actors	Time frame
				researchers, Parliament	
NDPIV and Projects ex-post evaluations	To determine effectiveness, relevance, sustainability and intermediate and final outcomes of the NDPIV projects and programmes	Project Evaluation reports	OPM, NPA, MFPED, other MDAs as well as LGs	MDAs, development partners, Private Sector, CSOs, Researchers, general public	July-December 2026 for NDPIII
Impact Evaluations	Assess intended and unintended negative and positive consequences of the NDP including its projects and programmes	Impact Evaluation reports	NPA	MDAs, development partners, Private Sector, CSOs, Researchers, general public	Every Two years after the end of Plan

Source: National Planning Authority

24.5 Performance Reporting and Dissemination of Results

509. The performance monitoring reports that will be produced and disseminated at various levels are outlined in the sections below.

a) Economy-wide Reports

i) **Certificate of Compliance**

Alignment of Plans (5-year NDPs and LGDPs) and the budgets to the NDPIV will be established through issuance of Certificates of Compliance by the National Planning Authority (NPA) to Ministries, Departments, and Agencies (MDAs), Local Governments (LGs), and Ministry of Finance, Planning, and Economic Development (MoFPED). The certification report for plans and budgets will be formulated based on criteria developed by NPA and mutually agreed upon with Parliament, with issuance scheduled for the 1st April, annually. Furthermore, the Certificate of Compliance will include an assessment of expenditure performance pertaining to the Plan.

ii) **National Development Report (NDR)**

The NDR provides a review of the progress made towards achievement of NDP goals, objectives, programmes and corresponding targets. Over the NDPIII period, timely production of National Development Reports (NDRs) has been hampered by the application of the manual M&E framework. Although the integrated NDP M&E system developed and partially operationalized, it is expected to inform the National Development Report (NDR) and Annual Government Performance Report (GAPR) for the NDPIV, produced annually by NPA and submitted to Parliament, as required by the NPA Act (2002). The NDR will function as the primary annual monitoring and evaluation report from the Authority to stakeholders. It will include an assessment of the economy's development performance, highlighting contributions from the public and private sectors, as well as other non-state actors.

However, to ensure the report's findings are widely utilized throughout the implementation period, there is a need to publicizing and disseminating the National Development Report. This will be integrated into the planning process. This integration will involve engaging stakeholders across various sectors, organizing workshops and seminars to discuss the report's insights, and leveraging digital platforms for broader reach. By doing so, the report's results will effectively inform policy-making, programme adjustments, and strategic initiatives, ultimately enhancing the overall impact and success of development effort.

iii) **National Annual and Half Annual Performance Reports (NAPR & NHAPR)**

These reports will continue to be produced annually and semi-annually by OPM to facilitate internal review of Government performance by Cabinet. The reports provide analysis of the performance of sectors, and MDAs against the national budgetary resource allocations as well as unplanned activities conducted by the government. They will be largely focused on assessing progress on interventions that are aimed at achieving planned NDPIV programme results and the emerging results from the unplanned activities. As before, the NAPR and NHAPR will continue to be disseminated through the Cabinet retreat.

iv) **Annual Budget Performance Report (ABPR)**

MFPED will produce the Annual Budget Performance Report which provides information on the performance of the National Budget against the annual plans. In particular, the report provides analyses of the revenue and expenditure, including sectoral and LG financial and physical performance. The report is disseminated to MDAs and LGs during the national and regional budget conferences, as key feedback to inform the next budgeting process.

v) **Manpower, Skills and Employment Status Report**

The inaugural National Employment and Skills Development report was produced in 2022 and this was aimed at keeping track of the number of jobs created, skills developed, and skills required in the short and medium term. With NPA as the lead, the report shall be produced and disseminated every after two years in collaboration with key stakeholders such as UBOS, EPRC, MoGLSD, MoES, UIA, and PSFU. In this regard, starting the last Financial Year of NDPIII through to NDPIV, UBOS is required to conduct Quarterly

Labour Force Surveys in order to enhance the availability and reliability of labor force data. This will allow UBOS to develop, and the government to maintain, a more comprehensive employment and labor statistics database. This database will facilitate reporting on employment and skills development status, enhancing planning and policy formulation.

b) Programme level reports

i) **Annual programme performance reports**

During NDPIII implementation, not all programmes have been able to produce annual programme performance reports as planned. However, most of the programmes held programme review meetings to assess progress, the output being workshop reports. In the NDPIV, all programmes will therefore be required to produce annual programme performance reports which will be a key performance review reference during finalization of the subsequent financial year's BFPs and budget appropriation by Parliament. Programme reviews will take place for all programmes in August/ September of each year. The data for production of the reports will be based on quarterly and bi-annual performance reports. In order to promote horizontal accountability, the participation of representatives from private sector, CSO and Citizenry will be emphasized. All programmes will be required to produce and disseminate the report by October of every year.

ii) **Quarterly programme performance reports**

Quarterly Programme performance reports are currently produced by MDAs and LGs to provide information on the utilization of funds for the preceding quarter. The reports are mainly used by MFPED and OPM to support the work-plans and justification for release of funds. The reports are currently based on the Programme Based System (PBS) and will be strengthened during NDPIV to relate to the sector MIS' and the NDPIV output and outcome indicators.

c) Local government level reports

While Local Governments are mandated to generate annual performance reports, none of them currently fulfil this requirement. This is attributed to limited financial and human resource constraints that affects their capacity to collect, compile, and analyze data for performance reports. However, local governments produce annual budget performance reports which are submitted to the Ministry of Finance, Planning and Economic Development. LGs will therefore produce reports that will be structured to focus on progress of NDP implementation by local governments. In addition, district MIS' will be strengthened as it will be linked to the Web based NDP M&E system to provide data for preparation of the reports.

d) Mid-term NDP review and final evaluation

A mid-term review of the National Development Plan (NDP) will be conducted two and a half years into its implementation, precisely in July-December 2027 for NDPIV. The review will assess progress, reflect on assumptions and strategies, and recommend adjustments. The NDP mid-term review may, in addition, call for further adjustments in structures and systems to facilitate its efficient and effective implementation. The review of the NDP will be independently conducted but overseen by the National Planning Authority, in collaboration with OPM, MDAs, and other stakeholders.

The final NDPIV final evaluation will assess the overall effectiveness of the NDP against its objectives and targets, and where possible, with particular focus on impacts (albeit short-term). It will be comprehensive enough to assess the functionality of government structures and systems in delivering the country's aspirations. The evaluation will be led by the National Planning Authority in collaboration with the Office of the Prime Minister and conducted in the period of July-December 2030, four-and-a-half years after the Plan's implementation. The evaluation report produced will provide the basis for learning and improvement during implementation of NDPV and, in particular, review the relevance and effectiveness of the NDP planning, and monitoring and evaluation systems. The evaluation will in addition guide the focus for the NDPV Mid-Term Review. The underlying principle of the evaluation process will be to ensure independence and objectivity.

24.6 M&E Processes

510. The processes for NDPIV M&E will comprise the key tasks outlined in the sections below.

a) Operationalising the NDPIV M&E Systems
This will involve putting in place and strengthening the necessary institutional frameworks and human resource capacities to undertake the identified M&E processes. In particular, all MDAs will have functional MISs that will feed the integrated Web-based NDP M&E system. OPM will be strengthened to be able to coordinate all the NDPIV programmes and this will among others include recruiting staff to take lead on these programmes. The PBS and IFMIS will have indicators and targets emanating from the NDPIV results framework to foster alignment.

b) NDPIV M&E Stakeholders Participation
Stakeholder participation will be based on the NDPIV M&E institutional framework and arrangements. This will, therefore, be strengthened in line with the M&E reforms. In line with the NDPIV Development Plan Implementation Programme, the M&E function at all levels will be strengthened including at Cabinet, Sector and local government levels to facilitate effective participation of stakeholders.

24.7 Capacity Building

511. During the NDPIV, M&E capacity for both public and private actors at all levels will continue to be strengthened. To ensure M&E is entrenched in government institutions, OPM working together with NPA will prepare a detailed training plan for all key stakeholders. The training

plan will entail investments in specialized training and capacity-building initiatives aimed at building a critical mass of civil servants to undertake M&E along the Public Investment Management (PIM) cycle. In addition, MDAs and local governments will be required to allocate more funds to M&E departments to enable them deploy adequate human, material and financial resources for quality and useful M&E. The key institutions targeted for M&E capacity building include: The Parliament of Uganda; National Planning Authority; Office of the Prime Minister; Ministry of Finance, Planning and Economic Development; NGO Forum and Other Umbrella Civil Society Organizations; Ministry of Local Government; other Ministries, Departments and Agencies; and Local Governments.

24.8 NDP IV Results Framework

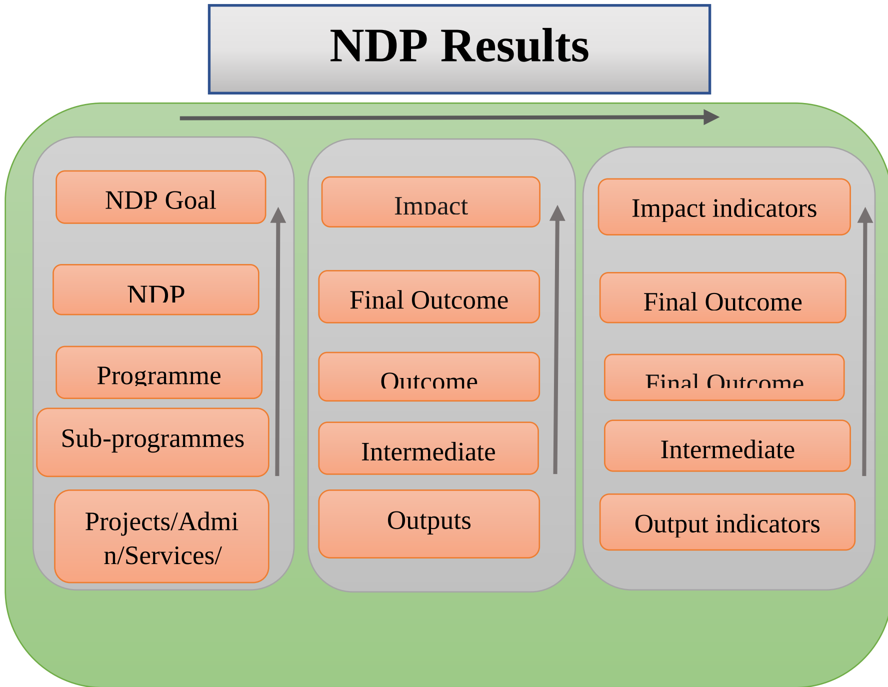
a) Overview

512. The Implementation of the NDPs for more than a decade has enabled the country to address some of the key transformational aspects in economic development including infrastructure development, technology adoption, inclusive growth, environmental sustainability, gender mainstreaming among others. However, significant constraints have hindered the effective monitoring and evaluation of the progress achieved, limiting the ability to inform the planning process. To enhance development planning processes, it is crucial to strengthen the monitoring and evaluation of results and measure the impact of NDPIV implementation.

513. The Result Framework will be used to measure and assess progress during implementation of this Plan and used as a tool for compliance assessment as required under Section 13(7) of Public Finance Management Act, 2015. The detailed NDPIV results framework is focusing on measurement of results at the national aggregate (Macro), Programme and decentralized level (Annex). It includes indicators for the Goal & Objectives (Outcomes), Programmes (Intermediate Outcomes and Outputs) and Local Government ((Intermediate Outcomes and Outputs)). Figure 24.2 presents a summary of the results framework for NDPIV. The detailed results framework for all the levels is found in Annex 1.

514. The results framework integrates the Sustainable Development Goals (SDGs), Agenda 2063, EAC Vision 2050, human rights, gender equality, IPOA, and green growth indicators and targets. This comprehensive framework illustrates how the attainment of lower-level objectives and interventions by Local Governments (LGs) and Ministries, Departments, and Agencies (MDAs) contributes to the overall goal of the Plan. By facilitating connections within and across levels, sectors, and thematic areas, the Results Framework serves as a valuable tool for state and non-state institutions, including civil society, private sector entities, and development partners, in pursuing results-based planning and implementation strategies.

Figure 24.2:NDP Results framework



b) Implementation plan

515. The following critical issues were identified in the Mid-Term Review of the NDPIII as bottlenecks to the M&E function. This implementation matrix in Table 23.2 details the specific actions and milestones required to address some of the issues so as to achieve our overarching goals of the Plan.

Table 24.2: Key issues and actions to be undertaken to address them

S/N	Monitoring and Evaluation Issue	Actions to be undertaken	MDA
1	The integrated M&E system is not fully operational and functional. This limits efficient and effective monitoring and evaluation processes.	• Train the core system users in MDAs • Integrating the System with other key systems used in government • Strengthen MDAs' and LGs' MISs and building capacity to support generation of NDP periodic progress reports	OPM
2	Delay in the implementation of government programmes and projects which hinders the achievement of the Plan's goal and objectives, both at the national and local government level	• Performance contracts will be hinged on the NDP results to ensure that Plans are implemented, and to improve accountability.	MoPS
3	Monitoring performance concerns the performance accountability system covering the monitoring framework of the NDPIII, results framework, PIAPs, MDA Strategic Plans and LGDPs which includes indicators and targets. These	• Build MDA and LG capacity in M&E to improve the reporting strategy	OPM &NPA

S/N	Monitoring and Evaluation Issue	Actions to be undertaken	MDA
	have since been inconsistent are not uniform at all levels.		
4	Monitoring and Evaluation activities are taken as recurrent and are prone to budget cuts. This has, therefore, reduced utilization of evidence-based policies and programmes.	• Increase resource allocation to the M&E function. • Adopt innovative ways of financing M&E such as International Donor Funding, Capacity Building and Technical Assistance, Development Impact Bonds (DIBs) among others.	MoFPED, OPM and OP
5	The new reforms when implemented divert from the original concept and generate their own focus areas. Guidelines are needed to ensure focus from the start.	• Provide operational guidelines on new reforms such as the OPM Delivery unit, SDG Unit, PDM, and APEX, introduced from inception.	OPM
6	LGs have scattered information on their performance and in particular performance on projects in their respective areas of jurisdiction.	• Local Governments will develop annual performance reports to be able to take stock of emerging issues.	MoLG
7	The existence of data gaps is the main challenge experienced in assessing progress of NDPIII implementation. In addition, there are issues of: missing baseline information and targets; un-matched timing in the release of the data required to monitor NDP progress and lack of Management Information Systems to inform performance assessment. Therefore,	• Uganda Bureau of Statistics (UBOS) will be supported to align the timelines for data collection periods to the planning horizon, and develop guidelines for and build capacity for the MDA/LGs on production of administrative statistical data by leveraging available digital systems and innovations. • Set up a mechanism to provide administrative data at MDA & LG levels to fill the data gap caused by the strict timelines for surveys and censuses.	UBOS
8	The operationalization of M&E and statistical units within the Planning departments in MDAs and LGs has not been fully implemented. However, the Ministry of Public Service (MoPS) in collaboration with OPM and OP were working on mechanisms to institutionalize M&E cadres in government.	• Establish statistical units in charge of data across MDAs and recruit the respective data officers. • Fastrack the mechanisms to institutionalize M&E cadres in government	UBOS, MoPS MoPS, OPM, OP
9	The implementation of NDPIII lacked a strong and supportive system that generates and provides the data required to support planning, budgeting, implementation, coordination and evaluation of functions.	• Streamline the M&E functions, supporting UBOS to establish functional Information System to support the Parish Development Model, and monitoring service delivery through Barazas and other mechanisms at the Community level. • Harmonize the coordination and M&E Structures with existing mechanisms for Programmes	OPM
10	The National Research Agenda is not well defined.	NPA in collaboration with key players should coordinate the national research framework covering scientific, economic,	NPA, NCST OPM

S/N	Monitoring and Evaluation Issue	Actions to be undertaken	MDA
		social and other areas of research. Particularly, • NCS&T will define the scientific research agenda. • OPM in collaborating with key players will define the national evaluation agenda. • OP in collaboration with stakeholders to define the oversight policy research agenda.	OP
11	Tendencies of evaluation duplications among institutions.	• Develop a detailed Evaluation Agenda that will guide the evaluation activities to be conducted within the implementation period.	

Source: National Planning Authority

CHAPTER 25: RISK MANAGEMENT

516. National Development Plans (NDPs) play a vital role in steering the socioeconomic advancement of developing countries, but they face numerous risks that can impede their success. Effective risk management is crucial to foresee, mitigate, and address these challenges, ensuring that development goals are met. The Fourth National Development Plan (NDPIV) of Uganda is focused on increasing household income and enhancing the quality of life for its citizens. Despite the clear objectives, well-defined programs, and set targets, the Plan recognizes the inherent risks, both local and global, that could obstruct these ambitions. These risks are interconnected and systemic, affecting all aspects of the NDPIV.

517. To achieve the Uganda Vision 2040, which aims for a tenfold economic growth, NDPIV has adopted a strategic approach that requires doubling the economy every five years. However, the Plan is aware that this ambitious target is vulnerable to various risks, including terrorism, epidemics, cybercrime, natural disasters, climate change, and economic sabotage. Consequently, NDPIV aligns with the Government of Uganda Risk Management Strategy 2018, emphasizing the integration of risk management into national planning and strategy formulation. This approach underscores that risk-informed development is an ongoing process, essential for navigating the complex challenges that could hinder the achievement of the Vision 2040 targets.

25.1 NDPIII Risk Profile

518. Successful implementation of the NDPIV requires a comprehensive approach to identifying, mitigating, and monitoring various risks, categorized as external, strategic, and operational.

519. **External risks**, which are largely beyond government control, include natural disasters, geopolitical tensions, climate change, pandemics, and terrorism. For instance, Uganda faces annual economic losses of around USD 62 million due to floods, with natural disasters like droughts causing significant damage, such as the USD 1.2 billion loss in 2010, equivalent to 7.5% of that year's GDP. Additionally, the ongoing geopolitical instability, especially in neighboring regions like Congo and South Sudan, has led to a decline in Uganda's export revenue. The increasing impact of climate change, coupled with the recent global COVID-19 pandemic, has highlighted the vulnerabilities in critical infrastructures and the systemic nature of these risks. Moreover, the persistent threat of terrorism, reflected in the rise of Uganda's Global Terrorism Index to 3.96 in 2018, continues to deter foreign investment and tourism.

520. **Strategic risks** pertain to macroeconomic stability, public debt sustainability, and public investment management. Macroeconomic risks, such as foreign exchange volatility, inflation, and fluctuating commodity prices, threaten the stable platform needed for investment and consumption. Uganda's public debt, though currently sustainable, is under pressure from the economic impacts of the COVID-19 pandemic, with the country's risk rating downgraded to

moderate risk of debt distress. This downgrade is driven by the significant increase in public external debt relative to export revenues. Additionally, the potential failure to achieve value for money in public investments poses another critical risk, particularly as Uganda aims to scale up public investment to meet its ambitious economic growth targets.

521. **Operational risks**, including fire outbreaks, post-election violence, economic crimes like money laundering and cyber-attacks, and delays in land acquisition for NDPIII projects, further complicate the risk landscape. The high incidence of economic crimes, with Uganda's rate at 66%, above both the continental and global averages, underscores the pressing need for robust risk management strategies across all sectors to safeguard the nation's development objectives.

Table 26.1: Key NDPIII envisaged risks (Low 1, Moderate 2, High 3; Minor 1, Moderate 2, Significant 3)

External Risks					
	Root cause/factors (s)	**Likelihood**	**Impact**	**Risk Rating**	**Risk response/Mitigation,**
The Global Economy is Stabilizing but at a Slow Pace	Post-pandemic recovery, geopolitical tensions, supply chain disruptions, and inflationary pressures.	High	High	High	Strengthen domestic economic resilience through diversification, improve fiscal policies, and enhance regional trade
Low Intra-African Trade (though Global Trade is Projected to Pick Up)	Trade barriers, inadequate infrastructure, and limited trade agreements among African countries.	Medium	Medium	Medium	Promote regional trade agreements, invest in infrastructure, and reduce non-tariff barriers.
Net Financial Flows to Developing Countries Have Declined Over the Last Decade	Global financial crises, reduction in foreign aid, and shifting investment priorities.	High	High	High	Enhance domestic revenue generation, attract foreign direct investment (FDI), and diversify sources of funding.
The Emerging Regional and Global Trends	Rapid technological advancements, shifting economic power, and global policy changes.	Medium	High	High	Leverage opportunities in technology and innovation, adjust policies to align with global trends, and engage in strategic partnerships.
The Constrained Global Financial Environment	Tightening monetary policies, rising interest rates, and	High	High	High	Maintain prudent fiscal management, diversify financial resources, and

	reduced liquidity in global markets.				strengthen financial institutions.
Elevated Trade Policy Uncertainty	Changing trade agreements, protectionism, and shifting geopolitical alliances	Medium	High	High	Advocate for stable trade policies, engage in multilateral trade agreements, and develop alternative trade routes.
Security Threats and Cross-Border Conflicts	Political instability, regional conflicts, and terrorism	Medium	High	High	Strengthen security forces, enhance regional cooperation, and engage in diplomatic conflict resolution
Increased Climate Change and Environmental Challenges	Global warming, deforestation, and unsustainable land use practices.	High	High	High	Implement climate adaptation strategies, enforce environmental regulations, and promote sustainable practices.
Regional and International Development Obligations	International agreements, regional integration commitments, and development targets.	Medium	Medium	Medium	Align national policies with international obligations, engage in diplomacy, and ensure compliance with agreements.
High Vulnerability to Climate Change and Unsustainable Use of Natural Resources	Poor environmental management, over-reliance on natural resources, and weak regulatory frameworks.	High	High	High	Strengthen environmental protection laws, promote renewable energy, and implement sustainable resource management practices.
Economic Vulnerabilities	Dependence on primary commodities, exposure to global market fluctuations, and weak economic diversification	High	High	High	Diversify the economy, build financial reserves, and implement shock-resistant economic policies.
Environmental and Climate Risks	Extreme weather events, deforestation, and unsustainable agricultural practices	High	High	High	Develop early warning systems, invest in climate-resilient infrastructure, and enforce environmental regulations
Regional instability, terrorism, and organized crime.	Security Risks	Medium	High	High	Enhance border security, strengthen counter-terrorism measures, and promote regional stability.
Health Risks.	Pandemics, inadequate healthcare	Medium	High	High	Strengthen healthcare systems, improve disease surveillance, and

	infrastructure, and poor public health systems				promote public health awareness.
Economic Shifts	Changes in global trade policies, shifting investment flows, and economic realignments.	High	High	High	Adapt to changing global economic conditions, diversify export markets, and attract new forms of investment.

Source: National Planning Authority, 2024

Strategic Risks					
Risk	**Root cause/factors (s)**				**Risk response/Mitigation,**
		Likelihood	**Impact**	**Risk Rating**	
Limited Diversification of Export Markets and Inability to Sustain Existing and New Markets with Required Volumes and Quality of Products	Dependency on a few export commodities, inadequate market research, and lack of value addition	High	High	High	Diversify export base, invest in value addition, enhance quality control, and develop strategic trade partnerships.
Low total factor productivity and utilization.	Inadequate technological adoption, inefficient production processes, and skill gaps in the workforce	Medium	High	High	Improve workforce training, adopt modern technologies, and optimize production processes.
Investment in and use of Science, Technology, and Innovation (STI) is still low.	Limited funding, lack of policy support, and weak collaboration between academia and industry.	Medium	High	High	Increase investment in STI, enhance policy support, and strengthen industry-academia partnerships.
Domestic revenue generation is inadequate.	Narrow tax base, weak tax administration, and high levels of informality in the economy.	High	High	High	Broaden the tax base, improve tax compliance, and formalize the informal sector.
Weak, uncompetitive, and largely informal private sector.	Limited access to finance, low levels of industrialization, and inadequate business support services	High	High	High	Enhance access to finance, promote formalization of businesses, and provide targeted business support.

High cost of capital is constraining the private sector.	High interest rates, limited financial inclusion, and lack of access to affordable credit	High	High	High	Implement financial sector reforms, promote alternative financing options, and reduce interest rates through monetary policy adjustments.
High cost of public sector management and weak coordination & administration.	Bureaucratic inefficiencies, overlapping roles, and lack of accountability	High	High	High	Streamline public sector operations, improve coordination, and enhance accountability mechanisms.
Limited branding and marketing of Uganda as a preferred investment and tourism destination.	Inadequate investment in marketing, lack of a cohesive brand strategy, and competition from other destinations	Medium	High	High	Develop a national branding strategy, increase marketing efforts, and engage in public-private partnerships for tourism promotion
Uganda’s human capital is inadequately developed and utilized.	Poor education system, limited vocational training, and brain drain	High	High	High	Invest in education and vocational training, create incentives to retain talent, and promote human capital development policies
Fiscal indiscipline undermines effective planning, budgeting, implementation, and realization of results.	Weak financial controls, poor budget management, and lack of fiscal transparency	High	High	High	Strengthen fiscal discipline, improve budget management, and enforce transparency and accountability
Industrial parks and freezones are inadequately developed to drive the value addition and industrialization agenda.	Inadequate infrastructure, limited investment, and poor planning	High	High	High	Invest in infrastructure development, attract private investment, and enhance planning and management of industrial parks and free zones
Regional imbalances have remained despite the various affirmative programmes and projects implemented by the Government.	Inequitable resource allocation, poor implementation of affirmative actions, and lack of targeted interventions	Medium	High	High	Improve resource allocation, monitor and evaluate affirmative programs, and implement targeted development interventions in lagging regions

Corruption and Governance Challenges: Corruption could lead to the misallocation of resources, inefficiencies in project execution, and a lack of public trust in government initiatives.	Weak legal frameworks, lack of accountability, and low public sector ethics	High	High	High	Strengthen anti-corruption laws, enforce accountability, and promote ethical practices in the public sector.
Social Inequality and Exclusion: High levels of inequality and exclusion could lead to social unrest, hinder inclusive growth, and limit the benefits of the NDP from reaching all segments of the population.	Disparities in income, access to education, and employment opportunities	High	High	High	Implement inclusive growth policies, promote equitable access to education and employment, and strengthen social safety nets

Source: National Planning Authority, 2024

Strategic Risks					
Risk	**Root cause/factors (s)**				**Risk response/Mitigation,**
		Likelihood	**Impact**	**Risk Rating**	
Disruptions to supply chain operations	Global economic instability, logistical challenges, trade restrictions, and pandemics like COVID-19.	High	High	High	Diversify supply chains, invest in local production capabilities, enhance trade agreements, and develop contingency plans for supply chain disruptions
Despite the existence of abundant resources (land, minerals, labor, water), there is limited value addition	Lack of industrial capacity, insufficient investment in processing industries, and inadequate technology transfer	Medium	High	High	Invest in value addition industries, improve access to technology, and promote industrialization policies that leverage local resources.
Slow implementation of core projects, hindering the realization of	Bureaucratic delays, lack of coordination among stakeholders, and inadequate project management capacity	High	High	High	Streamline project approval processes, enhance project management training, and improve coordination among implementing agencies

the planned results					
Transport infrastructure is largely biased towards roads (90%), poorly managed and maintained.	Over-reliance on road transport, insufficient investment in alternative modes like rail and air, and poor maintenance practices	High	High	High	Diversify transport infrastructure investments, improve road maintenance programs, and develop alternative transport networks (rail, air, waterways).
Limited collaboration and weak follow-up on implementation have hindered the realization of development results.	Fragmented efforts among stakeholders, lack of accountability, and poor communication channels	Medium	High	High	Strengthen inter-agency collaboration, improve communication and reporting mechanisms, and enforce accountability for project outcomes
Infrastructure Gaps	Insufficient investment, poor planning, and delays in infrastructure development	High	High	High	Increase infrastructure investment, improve planning and prioritization of key projects, and expedite the implementation of ongoing projects
Technological Risks	Limited investment in technology, lack of technical skills, and resistance to change	High	High	High	Promote technology adoption through incentives, invest in capacity building, and encourage public-private partnerships to drive technological innovation
Land acquisition delays for NDP projects.	Complex land tenure systems, disputes over land ownership, and slow compensation processes	Medium	High	High	Simplify land acquisition procedures, engage with local communities early, and ensure timely and fair compensation

Source: National Planning Authority, 2024

25.2 General Interventions for Risk Management

522. To effectively manage the identified risks so to achieve the NDPIII planned results, government with relevant stakeholders shall undertake the following:

General Interventions	Actions	Rationale
Operationalize and implement a national risk management strategy	Integrate risk assessment, mitigation, and monitoring into the planning and implementation phases of the NDP and all decentralized	A structured approach to risk management ensures that potential risks are proactively addressed, reducing the likelihood of disruptions to development projects.

Enhance early warning systems and data analytics	Invest in early warning systems and data analytics to monitor emerging risks, including natural disasters, economic shocks, and security threats	Early detection of risks allows for timely interventions, minimizing the impact on NDP projects and overall national development
Promote Public-Private Partnerships (PPPs)	Foster collaboration between the government and private sector to share risks and pool resources for infrastructure development, technology adoption, and innovation.	Public-private partnerships can leverage private sector expertise and funding, reducing the financial and operational risks associated with large-scale projects
Improve financial and economic resilience	Strengthen fiscal policies and build financial buffers to cushion the economy against global economic shocks, fluctuating commodity prices, and other external risks	A resilient economy is better equipped to absorb financial shocks and maintain the momentum of development projects
Capacity building and human resource development	Invest in capacity building and continuous training for government officials, project managers, and stakeholders involved in NDP implementation	Skilled personnel are essential for effective risk management, ensuring that risks are properly identified, assessed, and mitigated
Enhance stakeholder engagement and communication	Engage all stakeholders, including local communities, civil society, and development partners, in the risk management process, ensuring transparency and accountability	Inclusive participation builds trust, improves decision-making, and ensures that risk management strategies are aligned with the needs and expectations of all stakeholders
Integrate climate change adaptation and environmental sustainability	Incorporate climate change adaptation measures and environmental sustainability into all development projects to mitigate the impact of environmental and climate-related risks	Proactively addressing environmental risks ensures the long-term sustainability of development projects and protects natural resources
Implement a robust M&E system	Establish a robust M&E system to continuously assess the effectiveness of risk management strategies and make necessary adjustments	Ongoing monitoring allows for the early detection of emerging risks and the timely adjustment of mitigation strategies, ensuring the successful implementation of the NDP
Diversify the economy and reduce dependency on key sectors	Promote economic diversification by supporting sectors such as agriculture, manufacturing, and services to reduce dependency on a few key sectors	A diversified economy is less vulnerable to sector-specific risks and provides a more stable foundation for sustained economic growth and development

Source: National Planning Authority, 2024

ANNEXES

Annex 1: NDP Results Framework for Goal and Objective Level Indicators

Goal	Impact	Indicators		Baseline FY2022/23	Targets FY2029/30	Vison2040	10-fold
Goal: *Achieve higher household incomes and employment for sustainable socio-economic transformation.*	Higher Household incomes	Real GDP growth rate		5.2	10.6	8.22	
		Income per capita (USD)		1,051	2,008	9500	
		Population below the poverty line		20.3	15.51	5	
		Gini Coefficient		0.43	0.37	0.32	
		Average monthly nominal household income (UGX)		200,000	578,635	2,737,566	
	Employment	Share of working population (%)		78.8	87.2	94	
		Labor force participation rate (%)		57	68.6	80	
		Share of national labor force employed less subsistence (%)		52	64.1	71	
		Employment population ratio		43	59.8	95	
		Labor productivity (GDP per worker, USD)-Agriculture		945	1,737	6,790	
		Labor productivity (GDP per worker, USD)-Industry		7,542	13,866	24,820	
		Labor productivity (GDP per worker, USD)-Services		3,150	5,791	25,513	
Objective 1: Sustainably increase production, productivity and value addition in agriculture, industry, tourism, minerals, oil & gas, ICT and financial services	increased production volumes and earnings by firms and households in agriculture, tourism, minerals, and oil & gas, ICT and financial services	Contribution to GDP	Agriculture	24	24.12	10.40	
			Tourism	2.17	3.4		
			ICT	1.54	2.20		
			Mining	1.89	2.40		
			Oil & Gas	0	TBD		
			Services	42.6	47.3	58.20	
			Industry	26.12	28.54	31.40	
			Financial Services	2.75	3.46		
		Merchandise export to GDP ratio		76	79.0		
Objective 2: Enhance human capital development along the entire life cycle	Improved learning outcomes and acquired skills relevant to the job market	2.1 Literacy rates		76		95	
		2.2 Numeracy rates		51.2			
			Primary	34.2			

Goal	Impact	Indicators		Baseline FY2022/23	Targets FY2029/30	Vison2040	10-fold
		2.3 Survival rates	Secondary	75			
		2.5 Quality adjusted learning Years of Schooling (QALYS		4.5			
		2.7 Employers satisfied with the TVET training (%)		40			
		2.8 Sports development index		TBD			
	Improved quality of life	2.9 Maternal Mortality Ratio/ 100,000		189	0	15	
		2.10 Infant Mortality Rate/ 1000		36		4	
		2.11 U5 Mortality Ratio/ 1000		52	0	8	
		2.12 Neo-natal mortality rate (per 1000)		27			
		2.13 Total Fertility Rate	Total	5.2			
			Urban				
			Rural				
		2.14 Population growth rate		3.03		2.4	
		2.15 Life expectancy at birth in year		63.3		85	
		2.16 Human Development Index		0.54		0.9	
	Improved access to services for social care, protection, safety and equity	2.17 Access to safe water supply	Rural	67			
			Urban	72.8			
		2.18 Sanitation coverage		79.5			
		2.19 Hygiene (Hand washing)		36			
		2.20 Proportion of population accessing social insurance (%)		5			
		2.21 Universal Health insurance coverage		2			
		2.22 Percent of population receiving direct income support		0.5			
		2.23 Proportion of eligible population with access to social care services		2.1			
		2.24 Gender Inequality		0.72			
		2.25 Proportion of the population that is food secure		78.3			
Objective 3: Strengthen private sector capacity to	Conducive environment for private sector investiement is	3.5 Manufactured Exports as a percentage of total exports		TBD	TBD	50	
		3.11 Exports as a percentage of GDP		12.1	18.7		

Goal	Impact	Indicators	Baseline FY2022/23	Targets FY2029/30	Vison2040	10-fold
drive growth and create jobs	created, firms are competitive and meet national, regional and international standards	3.10 Growth in Private sector credit	2.5	10.0		
		3.4 Tax GDP ratio	12.9	15.7	25	
		3.7 Savings as a percentage of GDP	20.54	25.0	35	
		competitiveness index	48.94			
		3.9 Gross capital formation as a percentage of GDP	22.4			
		Percentage of the informal sector				
	Youth, women and other categories of the labourforce are empowered, innovate, develop enterprises and create decent jobs	3.12 Youth unemployment	13	0		
		3.14 No of Annual Jobs created	39,511			
Objective 4: Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry and ICT; and	Improved transport services, connectivity and cost effectiveness usability	4.1 Proportion of paved national roads in fair to good condition	95.7	98		
		4.2 Proportion of paved national roads in fair to good condition	73	90		
		4.3 Percentage of District roads in fair to good conditions	69	83		
		4.4 Travel time within GKMA (min/km)	4.1	3.5		
		4.5Volume of international air passenger traffic	1,709,084	2,509,084		
		4.6 Volume of domestic air passenger traffic	22,511	43,217		
		4.7 Freight Cargo traffic in tonnes (air) - Exported	38,453	78,506		
		4.8 Freight Cargo traffic in tonnes (air) - Imported	17,148	28,286		
		4.9 Freight Cargo on Lake Victoria (tonnes)	96,922	170,045		
		4.10 Passenger traffic by water %				
		4.11 Freight cargo by rail %	10	60		
		4.12 Travel time on railway network (in hours) -Mombasa-Kampala	20	15		
		4.13 Travel time on railway network (in hours) - Mwanza- Dar-Kampala	12	10		
	Increased access to clean, reliable,	4.14 Electricity consumption per capita			3668	
		4.15 proportion of the population Households with access to electricity	56		80	

Goal	Impact	Indicators		Baseline FY2022/23	Targets FY2029/30	Vison2040	10-fold
	affordable and climate smart energies	4.16 Cost of electricity	Residential	23			
			Industrial large	9.8			
			Industrial -Extra Large	8			
			Commercial	17			
		4.17 Energy generation capacity (MW)		1254		52000	
	Increased land under irrigation	4.18 Cumulative WfP Storage capacity (million m^3)		47.88			
	Increased penetration and usage of ICT services	4.19 Unit cost of internet (USD)		2.67			
		4.20 Internet penetration rate		24.6			
Objective 5: Strengthen good governance, security and the role of the state in development.	Increased Peace, Stability, accountability anc civic participation	5.1 Global Peace index (scale 1 to 5)		2.3			
		Crime rate (per 100,000)		502			
		5.2 Corruption Perception Index (100 being the best)		26			
		5.3 Democratic index		4.94			
	Increased government effectiveness, access to public goods & services, and good image	Government Effectiveness index		0.57			
		5.4 Foreign Direct Investment (percent of GDP)		2.8	3.7		
		5.5 Level of public satisfaction with service delivery					

Source: National Planning Authority

Annex 2: NDP Programme Level Results Framework (Intermediate Outcomes & Outputs)

Annex 3: NDPII Local Government Level Results Framework (Intermediate Outcomes & Outputs)

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Annex 4: Growth Enhancing Projects (Core Projects) and Annualized Project Costs (UGX Billions)

Project Title	Project Duration	Status	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total Cost
Construction of 138 HCIIIs and Completion of Central Warehouse at the National Medical Stores	5 years	Concept	-	-	-	-	-	-	
Construction of new health units in 132 Sub-Counties, Town Councils and Divisions	5 years	Concept	-	-	-	-	-	-	
Project For improvement of traffic control in Kampala City	4 years	Concept	-	-	-	-	-	-	
Olwiyo – Nimule (Uganda) –Juba (Sudan) 400kv Transmission Line Project	4 years	Concept	-	0.02	0.02	0.02	0.02	-	0.07
Nkenda (Uganda)-Beni- Bunia (D.R. Congo) 220kv transmission line project and associated substations	4 years	Concept	-	26.60	26.60	26.60	26.60	-	106.40
Upgrade of Mutundwe-Buloba-Kabulasoke-Masaka and Kabulasoke- Nkonge -Rugonjo-Nkenda 132kv transmission line and associated substation works	5 years	Concept	-	0.04	0.04	0.04	0.04	0.04	0.14
Supply of electricity to Standard Gauge Railway (SGR) Project	5 years	Concept	-	0.03	0.03	0.03	0.03	0.03	0.14
Coffee Value Chain Development Project	5 years	Feasibility	52.78	52.78	52.78	52.78	52.78	-	263.91
Strengthening health systems for primary health care	5 years	Feasibility	148.00	148.00	148.00	148.00	148.00	-	740.00
Rehabilitation and optimisation of Nalubaale and Kiira (380 Mw) Hydro Power Plants	5 years	Feasibility	181.57	181.57	181.57	181.57	181.57	-	907.86
Hoima- Kinyara- Kafu 220kv transmission line and associated substations project	4 years	Feasibility	101.52	101.52	101.52	101.52	-	-	406.10
Development of water-based eco adventure parks (Geothermal Spas and Resorts)	5 years	Feasibility	5.80	5.80	5.80	5.80	5.80	-	29.00
Rehabilitation of Regional Referral Hospitals	5 years	Implementation	26.00	26.00	26.00	26.00	26.00	-	130.00
Upgrading of Mpigi- Kasanje- Buwaya, Nateete-Nakawuka- Kisubi and connecting roads (71.15km) to paved standard	4 years	Implementation	65.81	65.81	65.81	65.81	-	-	263.26
Construction of 400kv Karuma-Tororo transmission line and 132kv Ntinda-Substation	5 years	Implementation	189.89	189.89	189.89	189.89	189.89	-	949.45
Masaka-Mwanza 400kv transmission line project and associated substations (Uganda Part)	4 years	Implementation	42.12	42.12	42.12	42.12	-	-	168.48
Development of Source of the Nile Project (Phase Ii)	5 years	Implementation	18.11	18.11	18.11	18.11	18.11	-	90.55
UWRTI infrastructure development project	3 years	Implementation	18.52	18.52	18.52	-	-	-	55.55

Project Title	Project Duration	Status	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total Cost
Uganda Climate Smart Agricultural Transformation Project (UCSATP)	5 years	Pre-Feasilbility	224.54	224.54	224.54	224.54	224.54	-	1,122.70
Kampala- Malaba Standard Gauge Railway Project (Eastern Route)	6 years	Pre-Feasilbility	1,528.51	1,528.51	1,528.51	1,528.51	1,528.51	1,528.51	7,642.53
Rehabilitation of Kampala – Jinja Highway (72km)	3 years	Pre-Feasilbility	78.17	78.17	78.17	-	-	-	234.50
132kv Mbale-Bulambuli-Kween transmission line and associated substations construction project	5 years	Pre-Feasilbility	61.91	61.91	61.91	61.91	61.91	-	309.55
Mirama-Kikagati-Nsongezi 132kv transmission line and associated substations	5 years	Pre-Feasilbility	32.44	32.44	32.44	32.44	32.44	-	162.22
Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP)	5 years	Pre-Feasilbility	426.97	426.97	426.97	426.97	426.97	-	2,134.87
Midstream petroleum Infrastructure Development Project Phase Ii	5 years	Pre-Feasilbility	1.50	78.50	66.10	63.80	30.50	-	240.40
East Africa Crude Oil Pipeline (EACOP)			-	-	-	-	-	-	-
Support To Uganda's Mineral-Based Industrialization Project (SUMIP)	5 years	Pre-Feasibility	71.74	71.74	71.74	71.74	71.74	-	358.69

Source: National Planning Authority, 2024