



**Status of Implementation of the 2021-2026 NRM
Manifesto Commitments spearheaded by the Ministry of
Finance, Planning and Economic Development**

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Development

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Fellow countrymen, I greet you all.

I would like to begin by thanking the Office of the President for organizing this Manifesto Week. This provides us a window for engagement with Ugandans on the success stories of the 2021-2026 manifesto implementation and share the challenges we face today.

Ladies and gentlemen, in the first two years of the manifesto, the government has been managing the economy in a challenging environment occasioned by several economic shocks – COVID-19 pandemic, high inflation, fiscal constraints, Ebola, drought and the impact of Russia-Ukraine conflict, among others. These have led to rising interest rates, imported inflation, capital outflows from developing markets to developed markets such as North America and Europe, slower than the projected economic growth, and lower export demand. These notwithstanding, our economy has remained resilient and is on a recovery path.

Before I proceed to provide an account of the progress made on the implementation of the commitments in the NRM Manifesto 2021-2026, allow me to provide key highlights on the positive signs of economic recovery: -

- i) **Economic growth:** In FY 2021/22, the economy grew by 4.6 percent, an improvement from 3.5 percent registered in the previous year. Over the first quarter of this financial year, the economy grew by 7.5 percent compared to 2.7 percent in the same quarter of FY 2021/2022, mainly driven by increased value addition in both the industry and services sectors which grew at 12.7 percent and 9 percent respectively. The economy is projected to grow at 5.5 percent at the end of FY 2022/23.

- ii) **Inflation:** Though prices remain high, they are gradually declining as shown by a decrease in annual headline inflation from 10.7% in October 2022 to 8.0% in April 2023. This reduction is mainly on account of a slowdown in the increase of prices for food (both manufactured food and food crops), beverages as well as a reduction prices of building materials, fuel, and electricity.
- iii) **Cost of borrowing:** Commercial bank shilling-denominated lending rates reduced to 18.76% in March 2023 from 20.24% in February 2023. This was attributed to the declining inflation rate, reduced participation of Government in the domestic credit market and an increase in prime borrowers who were able to access credit at lower rates due to their good credit rating with banks.
- iv) **External trade:** In March 2023, Uganda's trade deficit with the rest of the world narrowed to US\$ 241.93 million, from US\$ 297.66 million registered in February 2023. This was on account of an increase in export earnings which more than offset the increase in the import bill during the month. In the EAC, Uganda trade at a surplus of US\$ 15.9 million.
- v) **Value of merchandise export:** Uganda exported merchandise worth US\$ 674.54 million in March 2023. This represented a 93.0% percent increase when compared to US\$ 349.44 million exported during February 2023. This increase was mainly on account of higher export earnings from mineral products, tobacco, maize, and cotton.
- vi) **Employment creation:** Formal jobs as captured by the PAYE Register, increased by 3.03% from 1,380,972 employees in 2020/21 to 1,422,857 employees in 2021/22. The highest number of PAYE employees were registered in the Public Administration Sector (456,782), followed by the Manufacturing Sector (145,448)

Wholesale and Retail Trade (97,261). Formal jobs in the Agricultural Sector also registered an increase from 51,384 employees in 2020/21 to 57,731 employees in 2021/22. The Private Sector contributed about 83 percent of the total formal sector jobs with high concentration in agriculture and fishing, (69.4 percent), manufacturing (5.6 percent), trade and repairs (8.9 percent), hotels and restaurants (2.0 percent), transport and communication (2.3 percent), construction (2.0 percent) as well as education at 3.0 percent. Other critical sectors where recorded employment opportunities exist include mining and quarrying, utilities, posts and telecommunications, financial intermediation, insurance, business services, health and social works, and community and personal services.

Ladies and gentlemen, drawing on the economic strategy of the government, my Ministry directly contributes to the implementation of five (5) broad NRM manifesto objectives: -

- i) Broadening the economic base by providing and creating economic opportunities in all regions of Uganda
- ii) Creating an integrated and self-sustaining economy based on import substitution and export-oriented growth.
- iii) Establishing a monetised and formalised economy – graduating households from the informal and subsistence levels into the commercial economy.
- iv) Achieving the lower middle-income status, and
- v) Generating productive jobs.

To realise the above objectives, the government made several commitments in the manifesto, with a focus on creating more productive jobs through harnessing all factors of production. Let me now use this time to elaborate the progress we have made on the key manifesto interventions under my docket: -

No.	Manifesto Commitment	Progress
1.	<p>The Parish Development Model (PDM).</p> <p>Government made a commitment to support a SACCO in each of the 10,594 parishes in Uganda, putting emphasis on the rural areas engaged in agriculture.</p> <p>PDM is multi-sectoral strategy to create socio-economic transformation by moving the 3.5 million households still stuck in the subsistence economy, into the money economy.</p> <p>The PDM is premised on 7 pillars, including Pillar 3 – the Financial Inclusion, spearheaded by MoFPED.</p>	<p>In FY2021/22, H.E the President launched the Parish Development Model (PDM).</p> <p>Under the Financial Inclusion Pillar of the PDM:</p> <ul style="list-style-type: none"> ✓ PDM SACCOs have been established in 10,588 Parishes. ✓ In FY2021/22, Ushs.67.208 billion was disbursed to 7,855 PDM SACCOs ✓ In FY 2022/23, government provided Ushs.1.059 trillion in the budget for PDM. Ushs.522.950 billion has been disbursed so far to 10,459 PDM SACCOs that are ready
2.	<p>Emyooga Fund to support specialized enterprises -</p> <p>Boda boda riders, women entrepreneurs, carpenters, salon operators, taxi operators, restaurant owners, welders, market vendors, youth leaders,</p>	<p><u>EMYOOGA</u></p> <p>The government has so far disbursed Ushs. 390 billion under the Emyooga programme.</p> <p>As of today, 205,710 parish-based Associations under 6,748</p>

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	<p>PWDs, produce dealers, mechanics, tailors, journalists, performing artistes, veterans, fishermen and elected leaders.</p>	<p>Emyooga SACCOs were mobilised.</p> <p>The programme is helping 4,114,200 direct beneficiaries.</p> <p><u>MSC</u></p> <p>Government has also capitalised the Microfinance Support Centre with Ushs. 35.7 billion for on-lending to other SACCOs. In the next fiscal year 2023/24 Ushs. 46 billion to MSC for on-lending to SACCOs.</p>
3.	<p>COVID-19 SME Recovery Fund to support small and medium enterprises (SMEs) that do not fall under Emyooga and don't qualify for the UDB funding.</p>	<p>Government in partnership with the Commercial Banks established the Small Businesses Recovery Fund to support businesses that were impacted by COVID-19</p> <p>The Ushs. 200 billion Fund is administered by Bank of Uganda with Government contributing Ushs. 100 billion while participating financial institutions contributing the other Ushs. 100 billion.</p>

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		Currently, 398 small businesses have been supported under the Fund with funding totaling Ushs. 4.84 billion.
4.	<p>Capitalization of UDB and UDC to provide affordable and long-term Capital to agriculture, agro-processing and manufacturers to support industrialisation, import substitution and export promotion agenda</p>	<ul style="list-style-type: none"> ● <u>UDB</u> Government has over the year increased the capitalization of Uganda Development Bank from Ushs. 58.3 billion in FY2019/20, to Ushs. 1.1 trillion as of September 2022. ● <u>UDC</u> This Ministry continued to capitalize Uganda Development Corporation (UDC) across the country to invest in coffee, tea, mining, fruits, cocoa, sugar, and construction. These projects are implemented in the districts of Amuru, Nwoya, Kabale, Kabarole, Soroti, Moroto and Luweero. Government has increased capitalization of UDC from Ushs.163.22 billion in FY2021/22 to Ushs. 425.37 billion in FY2022/23.

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		<p>This Ministry guided the Ministry of Trade, Cooperatives, and Industry to present a comprehensive strategy to Cabinet with a view of removing a cap of Ushs 500Billion on UDC capitalization. This was done and the cap for UDC capitalization was increased to Ushs 5 trillion. Now that the cap has been removed, the government will gradually increase funding to UDC over the remaining period of the manifesto implementation.</p> <ul style="list-style-type: none"> • Government through the Ministry of Trade, Industry and Cooperatives is undertaking a feasibility study to assess the viability of establishing a National Bank for Cooperatives.
5.	Study to Establish a Farmers' Bank	The study to establish a full-fledged National Farmers' Bank is ongoing. However, the Government continues to provide funding to farmers through the Agricultural Credit

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		Facility, Emyooga and the Parish Development Model among other avenues. In future these could grow into a full-fledged Farmers' Cooperative Bank
6.	<p>Recapitalizing National Housing & Construction Corporation to build low-cost housing for public servants and other deserving citizens</p>	<p>In FY2021/22, Ushs 30.0 billion was provided under Ministry of Lands, Housing and Urban Development to recapitalize National Housing and Construction Company (NHCC). Given that NHCC Ltd is a company limited by shares and jointly owned by GoU and Government of Libya, these funds were removed from the budget of FY2022/23 so that the shareholding issue is first resolved, given that one shareholder is currently absent.</p>
7.	<p>Extension of water supply to the 5 Industrial Parks:</p> <ul style="list-style-type: none"> i) Kashari Agricultural Park in Mbarara ii) Mbale Industrial and Business Park iii) Kapeeka Industrial and Business Park iv) Karamoja Industrial and Business Park 	<p>The piped water supply system in Kapeeka Industrial Park was completed in FY 2021/22. Currently, the Ministry of Water and Environment is working on the Sewerage network.</p>

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	v) Jinja Industrial and Business Park	
8.	<p>The Student Loan Scheme for those not directly sponsored by the Government, but these are to be aligned with the scarce skills in the country.</p>	<p>The Government continues to support and provide funding to the Higher Education Student Financing Board for the student's loan scheme to facilitate scientists at Degree and Diploma.</p> <p>A budget of Ushs.27.52 billion was allocated this fiscal year 2022/23 towards the loans scheme.</p>
9.	<p>Enhancing resource mobilization (both domestic revenue and borrowing) and Public Financial Management Systems to ensure effective implementation of development programmes: -</p> <ul style="list-style-type: none"> - Transport and market infrastructure - Wealth creation programmes such as PDM and Emyooga - Human capital development 	<p>The government is implementing the following key reforms under the overall DRMS: -</p> <ul style="list-style-type: none"> i) The Electronic Fiscal Receipting and Invoicing Solution (EFRIS) ii) The Digital Tax Stamps (DTS) iii) Taxpayer Register Enhancement Programme (TREP). iv) Implementation of the Informality Management for Compliance and Revenue Mobilization (IMCORE) Project.

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	<p>initiatives e.g., UGIFT</p> <ul style="list-style-type: none"> - Power generation and distribution 	<p>v) Review of the presumptive tax regime.</p> <p>vi) Rationalization of tax expenditures.</p> <p>Arising from these initiatives, domestic revenue collection is projected to increase from Ushs.21.83 trillion in FY2021/22 to Ushs.24.71 trillion in FY2022/23.</p> <p>The ministry continues to mobilise budget support in form of borrowing to close the critical funding gaps to ensure that the manifesto commitments are financed.</p> <p>The Ministry has enhanced and rolled out systems to improve efficiency and accountability in the utilisation of public funds. These include Integrated Financial Management System (IFMS), and the Electronic Government Procurement (e-GP), among others.</p>
10.	<p>Attracting Foreign Direct Investments (FDIs) to invest in 26 priority</p>	<p>UIA has attracted more investments in the identified 26 priority areas.</p>

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	<p>areas/sectors as defined in the Second Schedule of the Investment Code Act 2019.</p>	<p>Uganda’s top 10 FDI source countries in the referenced period included China (49), India (47), Pakistan (9), UK (8), Turkey (6), Kenya (5), USA (4), Germany (3), Lebanon (3) and Tanzania (3). According to UIA statistics, the performance of FDI in terms of employment, sectoral distribution, and investment values in the first half of FY2022/23 is as follows:</p> <ul style="list-style-type: none"> <li data-bbox="826 1048 1374 1541">i) A total of 165 projects were attracted, of which the manufacturing sector registered the highest number at 103, followed by Agriculture, Forestry and Fishing (19) and construction with 10 projects. <li data-bbox="826 1552 1374 1821">ii) The central region received the highest number of projects (120), followed by Eastern (19), Northern (14), and Western (12). <li data-bbox="826 1832 1374 1989">iii) Total planned investments reported were worth US\$ 7,284.2 million.

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		<p>iv) Planned employment expected to be created are 20,945 jobs. Of these jobs, the manufacturing sector contributes the largest share with 11,146 jobs, followed by Agriculture, Forestry and Fishing (6,781 jobs) and Accommodation and Food Services at 659 jobs.</p> <p>v) Foreign Direct Investments (FDI) increased significantly by 48.3 percent to US\$ 474.87 million in the first quarter of FY 2022/23 up from US\$ 320.25 million over the same period in FY 2021/22. The increment follows the increase in activities in the oil sector after the completion of the Final Investment Decision in February 2022 for Uganda's oil and gas projects.</p>
11.	<p>Progressively enhance salaries and improve other living conditions, particularly staff accommodation for teachers and health workers as the economy improves.</p>	<p>During FY2020/2021, the Ministry provided Ushs 50 billion for salary enhancement of Vice Chancellors, Deputy Vice Chancellors, Professors and Associate Professors to the long term pay targets and 7.05% for other staff of Public Universities</p>

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		<p data-bbox="810 309 1321 577">During FY2021/2022, the Ministry provided Ushs134.9 billion for enhancement of Lunch Allowance for Health Workers.</p> <p data-bbox="810 645 1262 748">During FY2022/2023, the Ministry provided.</p> <ul style="list-style-type: none"> <li data-bbox="815 757 1362 1308">i) Ushs 954.853 billion for salary enhancement of Scientists in the mainstream Public Service, Health Professionals, Science Teachers in Secondary Schools and Science Instructors, Tutors, and Lecturers in BTVET Institutions. <li data-bbox="815 1317 1390 1473">ii) Ushs 175.297 billion for salary enhancement of Senior UPDF Officers <li data-bbox="815 1482 1353 1639">iii) Ushs 7.17 billion for salary enhancement of salaries for DPP Officers

In conclusion, I would like to reiterate that the Ministry of Finance, Planning and Economic Development remains dedicated to deliver on all the commitments it contributes to in the NRM Manifesto 2021-2026 to stimulate economic recovery, enhance productivity and competitiveness of enterprises, promote wealth creation and jobs for the citizens.

The Ministry will continue to play its role of coordinating planning, mobilization of resources to deliver the priorities of the ruling party and ensuring accountability for resources disbursed to spending entities.

Lastly, I commend all Ugandans for supporting the implementation of the NRM agenda, participation in wealth creation, demanding for accountability and monitoring service delivery.

For God and my Country