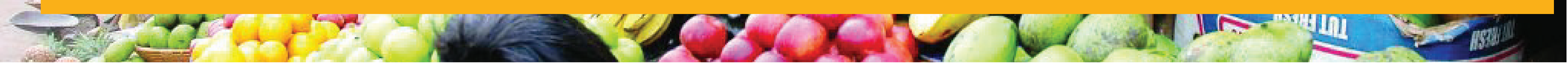




THE BUSINESS ENVIRONMENT AND ENTERPRISE SUPPORT (BEES) Q3 UPDATE (JAN, FEB & MAR) FY 2024/25



INTRODUCTION

The Business Environment and Enterprise Support (BEES) updates are developed by the Ministry of Finance, Planning and Economic Development (MoFPED) to inform budget and policy decisions as well as guide the private sector in making investment decisions. The report analyses the competitiveness of Uganda's business environment under the strategic areas of the Ten-fold Growth Strategy including: Agro-Industrialisation, Tourism Development, Minerals and Oil Development, Science, Technology and Innovation (ATMS), and other cross-cutting issues. The report also tracks their implications for private sector development, and gives policy recommendations to improve the business environment. This Matrix tracks Business Environment and Enterprise Support (BEES) updates for Q3 Financial Year (FY) 2024/25 based on private sector enabling measures.

PART 1: ATMS.

SECTION 1: AGRO INDUSTRIALIZATION

1.0 Coffee registration towards EU deadline.

1.1 Update:

The Government allocated **UGX 13.9 billion** towards the national traceability system to promote transparency in the coffee supply chain. The intervention is part of the implementation of the European Union's regulation for deforestation free products.

EUDR implementation was extended by **12 months** to 30th December 2025 for large companies and 30th June 2026 for small companies.

Nationwide registration of coffee value chain actors was launched on 1st October 2024 and is expected to be completed by 30th December 2025. So far, **916,906** coffee farms have been mapped in 19 districts; and **812,000** out of **3 million** farmers (**27%**) coffee farmers have been registered. This initiative aims to ensure traceability of coffee and compliance with the European Union Deforestation Regulation (EUDR), which requires proof that coffee is produced sustainably.

(Source: UCDA)

1.2 Implications:

- a) The traceability system is a critical step in ensuring that Uganda's coffee industry meets the European Union's regulation for deforestation-free products (EUDR) which requires that products exported to the continent be deforestation-free.
- b) The system is essential for improving market access, ensuring compliance with local and international regulations and supporting the sustainable growth of our coffee sector.
- c) The system will help build a comprehensive database for the coffee stakeholders from farmers to exporters.
- d) This creates certainty about the way forward for the coffee sector, and will ensure smooth implementation of the directive requirements.
- e) The registration process will enhance sustainability, improve market access, and support the livelihoods of approximately 9 million people involved in coffee-related activities along the value chain.

1.3 Way Forward:

- a) The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) to fast-track farmer registration and sensitise farmers to its importance for planning purposes to provide support services.
- b) MAAIF will increase training sessions and awareness programs for coffee farmers and other stakeholders about the importance of registration, traceability, and compliance with the European Union Deforestation Regulation (EUDR).
- c) MAAIF will establish a system for regular monitoring and updating of the database to ensure the accuracy and relevance of information.
- d) Fasttrack national coffee farmer registration, incentivize its adoption and sensitize farmers about its importance for planning purposes.
- e) MAAIF should establish a system for regular monitoring and updating of the database to ensure the accuracy and relevance of information.

2. Acquisition of animal feed production and seed multiplication machines

2.1 Update:

The National Animal Genetic Resources Centre and Data Bank (NAGRIC), under MAAIF, in line with its additional mandate of provision of feeds for animals on 31st October 2024 acquired the following equipment:

Three **(3)** heavy-duty agricultural tractors, six **(6)** ten ton capacity tipper trailers, three **(3)** primary and three **(3)** secondary disc harrows, three **(3)** precision row planters with high seeds and fertilizer capacity, three **(3)** long-range boom sprayers with an **18m** width and three **(3)** forage harvesters.

2.2 Implications:

- a) The equipment will support local mass production of high quality affordable seeds and animal feeds enhancing crop and livestock productivity.

2.3 Wayforward

Under the Agro industrialisation program of the NDP 4, MAAIF, NAGRC&DB, LGs, OWC will:

- a) Support government institutions to produce high-quality seed and animal feed to benefit Parish Development Model (PDM) farmers
- b) Establish animal feed storage facilities on NAGRC ranches and farms to ensure reliable access to feed.
- c) Establish zonal agricultural mechanisation centres; set up and equip regional farm service centres in order to increase access to appropriate agricultural mechanisation and farm power.
- d) support large-scale commercial farmers with production enhancement equipment e.g., tractors, irrigation infrastructure, processing, and post-harvest handling equipment.

3. Agricultural Subsidy to support avocado farming

3.1 Update:

On 19th November 2024, Uganda made a maiden export of Hass avocado to Spain worth **UGX 147.7 million**. This is a result of the **UGX 25 billion** five-year fund initiated in FY 2016/2017 to subsidise the insurance cost for farmers. This fund offered protection against production risks such as adverse weather conditions, as well as uncontrolled pest and disease infestations.

(Source: MAAIF)

3.2 Implications:

- a) The subsidy increased financing to the sector safeguarding against high production costs and risks faced by Avocado farmers.

3.3 Way Forward:

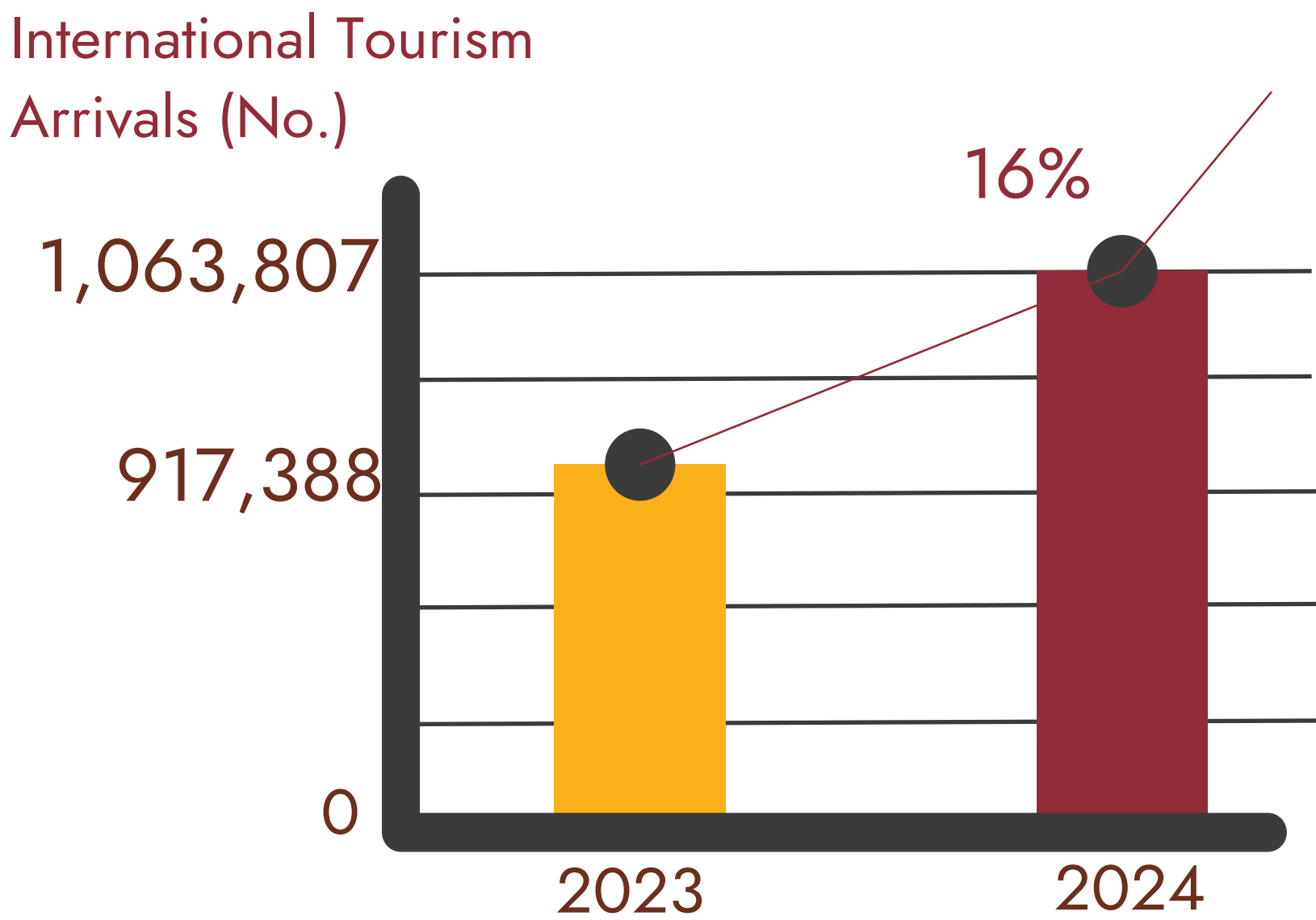
- a) Government under the Agro-Industrialisation programme of the NDP 4 has prioritised increased access to agricultural finance and insurance.
- b) IRA, MAAIF and Local governments will provide affordable insurance packages as well as farmer sensitisation.



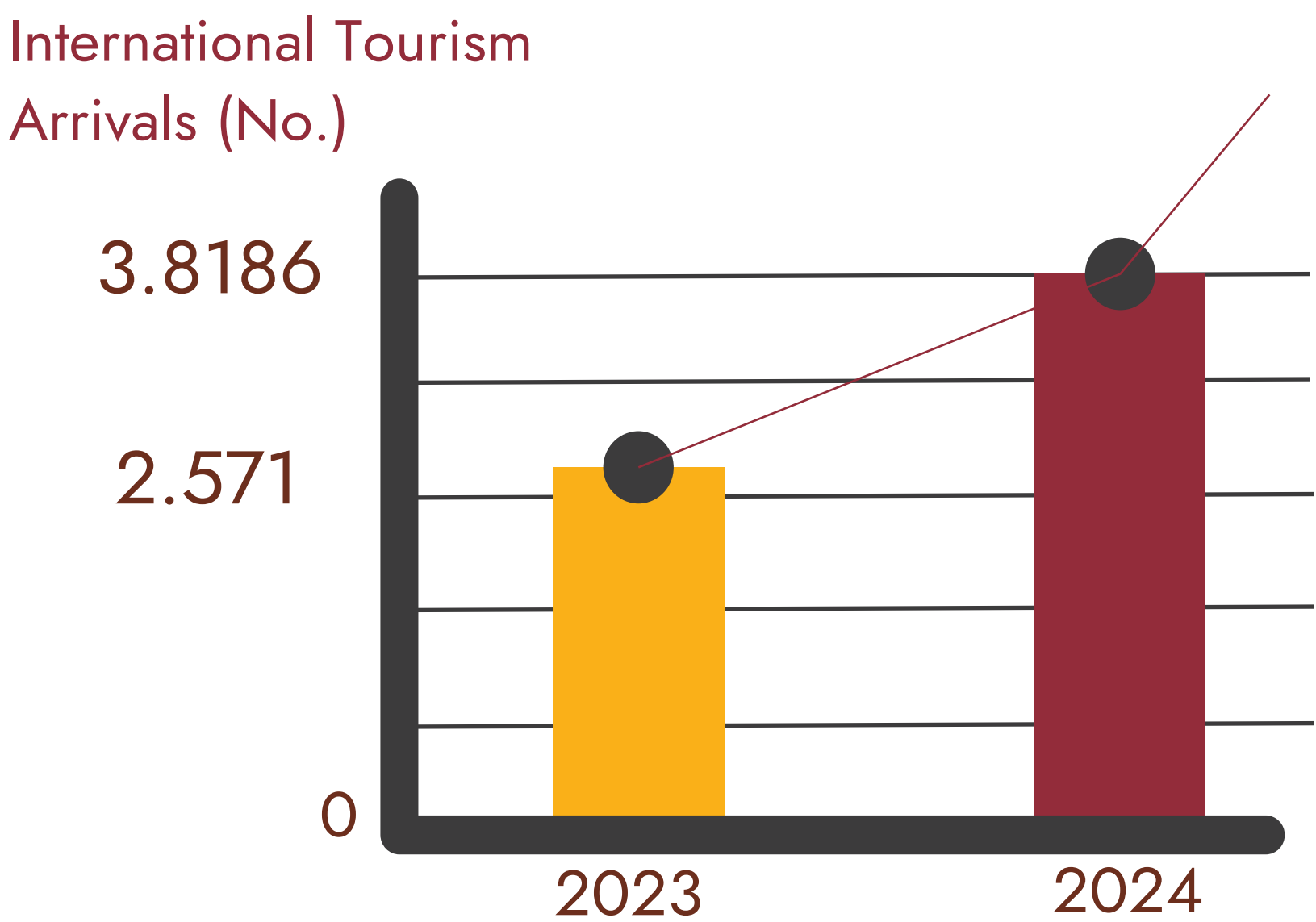
SECTION 2 TOURISM DEVELOPMENT

2.1 Update:

16% International tourist arrivals increased to **1,063,807**, up from **917,388** the previous year.



Tourism revenues grew to **UGX 3.8186 trillion** as at December 2024, reflecting a substantial increase.



The "Uniquely Yours" campaign launched on 5th November 2024 and "Explore Uganda" campaigns and partnerships with platforms such as CNN and Expedia expanded Uganda's reach in global markets.

The "Explore Uganda App" launched on October 16th 2024 digitally consolidated Uganda's tourism offerings.

2.2 Implications:

- a) Improved tourist arrivals have led to an increase in foreign exchange earnings as well as job creation underscoring tourism's critical role in Uganda's economy.
- b) Diversified tourism marketing avenues improve Uganda's global visibility and competitiveness.

2.3 Way Forward:

- a) Effective marketing of Uganda as a preferred tourism destination is key to attracting international visitors. The NDP 4 tourism development programme will therefore enhance tourism revenue and job creation by prioritising research, developing new tourism products, improving infrastructure(especially last mile connectivity), reducing skills gaps, promoting Uganda as a preferred destination, and enhancing tourism standards.

(Source: UTB)

SECTION 3 OIL AND GAS DEVELOPMENT

3.1 Update:

Drilling operations reached **54.7%** completion, with **93** of **170** oil wells required for initial production completed. Annual revenues from oil are projected to range from **UGX 3.7 trillion** to **UGX 9.2 trillion** over the next **25** years, beginning in 2026. The Kingfisher central processing facility is **43.24%** complete, while construction of the Tilenga infrastructure has reached **70%**. A Ugandan laboratory factory (ICON Industrial Service) to support testing on quality, quantity and standards ahead of oil production was unveiled by the Petroleum Authority of Uganda (PAU).

3.2 Implications:

- a)The projected annual revenues represent a substantial boost to Uganda's fiscal capacity that will provide the government with increased resources for infrastructure development, social services, and debt servicing.
- b)The advancing construction of processing facilities and drilling operations is creating both direct and indirect employment opportunities.



Beyond the immediate construction jobs, the oil sector will require ongoing operations staff, maintenance crews, and support services

c) The establishment of ICON Industrial Service laboratory represents a crucial step toward building local technical capacity and reducing dependence on foreign expertise for oil sector operations. It creates opportunities for knowledge transfer and skills development beneficial to other sectors of the economy.

d) The Tilenga and Kingfisher projects are driving significant infrastructure development in previously underserved Albertine Graben area including roads, power supply, and telecommunications infrastructure. These have spillover benefits for other economic activities including agriculture, tourism, and trade.

3.3 Way Forward:

- a)** The Ministry of Energy and Mineral Development (MEMD) to fast-track infrastructure development to ensure timely production readiness.
- b)** MEMD to provide targeted vocational training programmes to local communities for job opportunities in oil-related industries.
- c)** PAU to collaborate with Uganda National Bureau of Standards (UNBS) to ensure laboratory procedures align with global best practice.



SECTION 4: MINERAL DEVELOPMENT

4.1 Update:

Establishment of the Uganda National Mining Company (UNMC) to manage the country's commercial holding and participating interests in mineral agreements in line with the Mining and Minerals Act (MMA) 2022. Emphasis is investments in strategic minerals like cobalt and rare earth elements. The Bank of Uganda launched a Domestic Gold Purchase Program to integrate artisanal miners into the formal economy. This will aid in the implementation of a mineral traceability and certification scheme provided for under the MMA, and as a compulsory regional standard.

A total of 7,455 artisanal miners were registered biometrically, promoting transparency and safety in mining operations.

4.2 Implications:

- a)** The establishment of Uganda National Mining Company (UNMC) will enhance the exploration, quantification and value addition of at least **58** priority minerals and geothermal resources countrywide.
- b)** The Gold program enhances safety standards and productivity while increasing contributions to Uganda's foreign reserves.
- c)** Formalizing artisanal mining reduces illegal trade and fosters equitable resource management.

4.3 Way Forward:

- a)** Directorate of Geological Surveys and Mines (DGSM) to update the mining cadaster by including taxpayer identification numbers and historical data on licenses.
- b)** MEMD to establish designated artisanal mining zones and enhance technical support for miners.
- c)** MEMD to bolster the extractives sector legal framework for transparency of the industry. This is incorporated in the NDP IV Programme Implementation Action Plans (PIAPs).

SECTION 5: SCIENCE, TECHNOLOGY AND INNOVATION

5.1 Update:

Phase 5 of the National Backbone Infrastructure (NBI) was officially launched on 5th December 2024, in Moroto, Karamoja sub-region. This phase added **5,845 km** to Uganda's optic fibre network from the existing **4,387 km**.

Ten (10) Ministries, Departments and Agencies (MDAs) (URA inclusive) were connected to the Uganda Electronic Single Window (UeSW) in Q2 FY 2024/25 as compared to nine **(9)** in Q1 FY 2023/24.

Mobile network coverage is at **80%**, with **40 million** active registered mobile subscriptions in October 2024 compared to **38.5 million** in October 2023, and **17.2 million** mobile internet subscriptions compared to **16.4 million** in October 2023.



5.2 Implications:

- a) Enhanced digital infrastructure reduces business transaction costs and accelerates socio-economic transformation.
- b) Increased efficiency in trade operations bolsters Uganda's global competitiveness.

5.3 Way Forward:

The National Information Technology Authority Uganda (NITA-U) has prioritised the following initiatives for FY 25/26 in its NDP IV PIAPs:

- a) Increase the number of kilometers of optic fibre cable laid by **7,000km**.
- b) Improved digital literacy through specialized ICT and basic digital skills training programs. This will enable businesses leverage digital trade platforms.
- c) Government service automation, integration and rollout as well as uptake of government digital shared services which will ensure continued MDA integration into the single window.

(Source: NITA-U)



Oil and Gas



Agro-Industrialization



Tourism Industry boost and Development

PART 2: ENABLERS

SECTION 1: LEGAL AND REGULATORY REGIME

1.1 Update:

The Engineering Professionals Bill 2024 proposed a framework for licensing and ethical standards to enhance professionalism.

1.2 Implications:

- a) Improved regulatory governance strengthens trust in fiscal and professional domains.
- b) Simplified compliance mechanisms encourage investment and operational transparency.

1.3 Way Forward:

- a) To launch targeted campaigns to educate stakeholders on the implications of new legislation, the Ministry of Lands, Housing, and Urban Development (MLHUD), Kampala City Council Authority (KCCA) and the Ministry of Local Government (MoLG) have in the NDP IV PIAPs for FY 25/26 prioritised development, dissemination and enforcement of all laws and policies developed and reviewed.
- b) The Sustainable Urbanization, Housing and Land Management (SUHLM) Programme Secretariat will in the same period undertake assessments that will involve conduct of periodic evaluations to measure the effectiveness of these regulatory changes.



SECTION 2: FINANCING

2.1 Update:

The six-year Private Large Scale Commercial Farmers Scheme worth **UGX 176 billion** was launched on 18th December 2024. The Government of Uganda (GOU) will cater for the interest component (**UGX 40 billion annually**) of loans to farmers to grow maize, beans, sorghum, soybeans, and hay through Government-owned banks.

Under the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Programme, **UGX 29 billion** by April 2024 was disbursed to a total of **1,883 women** entrepreneurs via six participating banks.

UDB approved **UGX 454 billion** to **170** projects for private sector development across **67** districts. **UGX-219.67 billion** was allocated for **32** projects in the manufacturing sector. **25** projects in agro-industrialization received a total of **UGX88.31 billion**. **52** projects were approved under Human Capital Development, **12** for integrated transport infrastructure and services, and **32** for tourism development. UDB’s financing efforts created and/or maintained **55,553** jobs, representing a **7.2%** increase from **51,841** jobs in 2023.

1		Stanbic Bank
2		DFCU Bank
3		Equity Bank
4		Finance Trust Bank
5		Centenary Bank
6		Post Bank

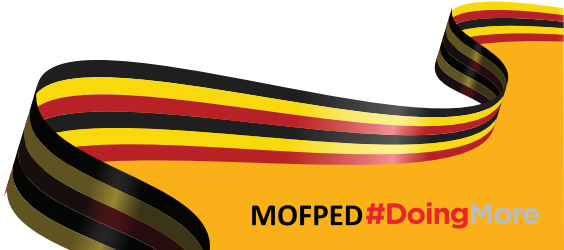
2.2 Implications:

- a) The LSCF will boost food and animal feed security in the country.
- b) UDB financing projected to yield 17,832 jobs will drive economic recovery and SME growth and supporting realization of NDP program objectives.
- c) The targeted financing initiatives will promote gender equity and entrepreneurial resilience.
- d) Increased access to affordable credit will strengthen the foundation for long-term economic growth.

2.3 Way Forward:

- a) Monitor the impact of disbursed funds and expand the reach of financing programs.
- b) Develop more tailored financial products for underserved sectors and demographics.

(Source: MFPED,UDB)



SECTION 3: GETTING CREDIT

3.1 Update:

As at October 2024, **35** out of **203 small and medium-sized enterprises (SMEs)** participating in the Deal Flow Facility of the Capital Markets Authority (CMA) were matched with potential equity investors.

3.2 Implications:

- a) Creates an avenue for emerging businesses to access tailored non-bank finance thereby addressing the gap in accessing growth capital.
- b) Creation of a pipeline of viable companies for investments ensures sustained inflow of capital for business development.

3.3 Way Forward:

- a) CMA to engage with donor for a no cost extension. In the interim, CMA to increase awareness of the facility among SMEs and encourage formalization of enterprises for access.
- b) CMA under the PSD programme of the NDP 4 to sustainably lower cost of financing has prioritized promotion of initiatives that attract more issuers. This should enable onboarding of the facility under CMA in the event of non-renewal of donor support.

(Source: MFPED, CMA)

SECTION 4: PAYING TAXES

4.1 Update:

Quarterly revenue collections

Net revenue target for FY 2024/25 is **UGX 31,369.16 billion**. Half-year revenue collections for FY 24/25 totaled **UGX 15,248 billion** against a net revenue target of **UGX 14,926.85 billion**, registering a notable surplus of **UGX 322 billion**. This is compared to the **UGX 111,670.03 billion** FY 23/24 half-year revenue collection.

Reforms to make paying taxes easier

The Voluntary Disclosure Programme launched on 30th November 2024 under the Automatic Exchange of Information (AEO) enables individuals and entities with undeclared assets and incomes abroad to make voluntary declarations.

Introduction of new user-friendly web-based local excise duty return effective 1st November 2024 for goods and services.

Polytechnic tutor retooling and training ahead of tax curriculum rollout held for schools. A joint team from Uganda Revenue Authority (URA) and the National Curriculum Development Centre (NCDC) trained more than 180 tutors in December 2024.

4.2 Implications:

- a) Awareness of compliance obligations at early stages of education addresses future non-compliance.
- b) Voluntary tax disclosure helps reduce the size of the informal economy, often characterised by unreported transactions and untaxed income.
- c) Creation of a culture of compliance that disincentivizes illegal tax practices, ultimately leading to a fairer tax system where everyone contributes their fair share.
- d) With more comprehensive tax data, governments can better understand the size and structure of the economy. This allows for more accurate budgeting and allocation of resources.
- e) Digital compliance tools reduced filing time and cost for tax payers.
- f) Enhanced administrative measures encouraged tax compliance leading to increased collections that provide more resources for development projects, such as infrastructure.

4.3 Way Forward:

- a) URA, in collaboration with NCDC, to develop and roll out tax curriculum education at all levels of education.
- b) URA to conduct trainings and provide training materials for affected taxpayers for the new digital tax compliance tools.

(Source: MFPED)

SECTION 5: ENFORCING CONTRACTS

5.1 Update:

The Commercial Court operated with only nine judges, leading to a significant backlog of unresolved cases. Commercial court registered **6,491** cases as of December 2024, completed **5,943** with **8,953** pending.

This is compared to **7,315** cases registered as at December 2023 with **5,336** completed and **5,885** pending.

The small claims procedure was rolled out to 203 courts resulting in the completion of **23,567** cases and recovery of claims worth **UGX-17,993,850,733 billion**. Commercial court registered cases with a value of **UGX 954 billion** and a pending case value of **UGX 6.3 trillion**.

The Private Sector Foundation Uganda (PSFU) partnered with ICAMEK (International Centre for Arbitration and Mediation) on 29 th October to handle business dispute resolution.

(Source: Judiciary Report)

5.2 Implications:

- a) The performance of the Commercial Division is crucial in stimulating economic development by ensuring timely resolution of business disputes, enhancing investor confidence, and promoting a stable

commercial environment. Delays in contract enforcement undermine investor confidence and economic efficiency.

- b) Alternative Dispute Resolution(ADR) can help unlock huge sums of money that can be utilized to stir growth and development.

5.3 Way Forward:

Judiciary to;

- a) Expand the Electronic Court Case Management Information System (ECCMIS) to 18 additional courts.
- b) Facilitate judicial officers with digital tools to enhance use of online platforms for case disposal and stakeholder engagement.
- c) Implement case backlog masterplan involving the use of three justice to clear backlog and caseload in selected circuits.
- d) Complete of Judgement Writing Tool to assist judicial in Judgement writing.
- e) Strengthen case management by recruiting additional judges and enhance rollout and implementation of digital solutions (ECCMIS) system to streamline case management.
- f) Support the implementation of a robust ADR framework including reform of the existing mediation practice and placements.

SECTION 6: INFRASTRUCTURE

6.1 Update:

Kabalega international Airport. a key support infrastructure to boost the oil and gas industry as well as agriculture and tourism industries in the Albertine region and the country at large is **95%** complete with test flights successfully conducted ahead of full operationalization in September 2025.

The Standard Gauge Railway: UGX 180 billion paid by November 2024 to Project Affected Persons (PAPs) for the **1.575 acres** acquired (**135km out of the 232km mainline**).

To promote sports development in the country and in preparation for Uganda co-hosting the 2027 Africa Cup of Nations (AFCON);

Construction contract of \$129 million signed December 6, 2024 with Egyptian Company, SAMCO for Akii Bua Olympic Stadium.

Hoima multi-purpose stadium: 22% completion as at 31st December 2024.

6.2 Implications:

- a) Support the growth of non-traditional industries and encouraging sectors that depend on global connectivity, such as technology, pharmaceuticals, and professional services, which is key for sustainable economic development.
- b) The airport will act as a Regional hub for logistics facilitating transit trade for neighboring countries that lack access to large airports or seaports. This could make Uganda a strategic business location in East Africa.
- c) Better position country to attract foreign direct investment (FDI), especially in sectors such as manufacturing, logistics, and services, by providing easy access for investors and stakeholders.
- d) Short-term and long-term employment opportunities from the construction phase to the management and operations of the airport and stadium itself, along with hospitality, transportation, and logistics industries, there would be substantial job creation.
- e) Growth of the tourism sector especially sports tourism as well as, by facilitating better access to Uganda's tourist attractions, especially in western Uganda, such as Queen Elizabeth National Park and the Bwindi Impenetrable Forest. creating jobs and revenue generation, which, in turn, stimulates local businesses.

f) The improved infrastructure and business opportunities that come with a major sports and events venue would make the stadium cities more attractive place for investment, fostering economic growth.

g) Boost to trade and export through enhanced domestic and international connection and accessibility for businesses to markets

6.3 Way Forward:

- a) Prioritise supervision and release of funds by MoWT, the Ministry of Education and Sports (MoES), MoFPED to ensure timely completion.
- b) Monitor the economic impact of infrastructure developments to guide future investments.

SECTION 7: TRADING ACROSS BORDERS

7.1 Update:

A Free Zones Export Facility at Entebbe Airport was commissioned on 16 th December 2024 for coffee roasting, packaging and export along with fruits, vegetables and flowers.

Export handling commenced on 21 st October 2024 at the Gulu Logistics Hub (GLH) as a Regional Custom Designated Area (RCDA) for URA.

Implementation of the mandatory local marine cargo insurance policy was enhanced with the launch of the online Marine Insurance Portal.

7.2 Implications:

- a)The Freezone will boost production for exports through the tax incentives and investor-friendly regulations offered.
- b)GLH provides a single point for the clearance of goods and the transfer of cargo between rail and road transport for the northern corridor.
- c)The hub has also enabled URA to secure trade in the area through interception of illicit goods in Gulu city.
- d)The Marine Portal creates direct access for importers to local insurers eliminating complexities of dealing with foreign entities.

7.3 Way Forward:

- a)Uganda Freezones and Export Promotion Board(UFZ&EPB) under its NDP IV PIAPs, plans to increase local firms’ access to, and usage of free zones by identifying and profiling local suppliers of goods and services to the zones.
- b)Awareness creation for the portal by the Insurance Regulatory Authority (IRA) to help expand the reach and effectiveness of insurance products.

(Source: MFPED)

SECTION 8: GETTING ELECTRICITY

8.1 Update: Ease of getting electricity

2.3 million households are connected to the national electricity grid. The installed capacity increased to 2,048.1 Mw with a distribution network length of 65,129 km.

Uganda Energy Credit Capitalisation Company (UECCC) on November 1st 2024 partnered with energy service companies to extend price subsidies as part of the UGX 400 billion grant to GOU from the World Bank to support clean energy projects solar, hydro, and geothermal power plants, biogas and liquefied petroleum gas (LPG).

A Price Subsidy Program (Results Based Financing Facility) for Clean Energy Technologies was launched by UECCC on 5th December 2024.This is the financial intermediation component of the Electricity Access Scale-Up Project.

The Rural Electrification Department,(RED) is working to extend the national grid and promote off-grid solutions such as solar home systems and mini-grids.

Cost of Electricity

NO.	CATEGORY	OLD TARIFF (Jul, Aug,Sep)	NEW TARIFF (Oct, Nov,Dec)
1	Domestic	UGX 803.0	UGX 796.4
2	Commercial	UGX 606.2	UGX 599.9
3	Medium Industrial	UGX 452.1	UGX 448.0
4	Large Industrial	UGX 383.4	UGX 378.6
5	Extra-Large Industrial	UGX 324.5	UGX 320.1

UMEME transition: On 31st December 2024 UMEME handed over its electricity distribution licence to Uganda Electricity Distribution Company Ltd (UEDCL).

8.2 Implications:

- a) Reduced electricity costs enhance industrial competitiveness and social welfare.
- b)Accelerated growth of Uganda’s clean energy sector reducing reliance on fossil fuels and promoting sustainable development.

8.3 Way Forward:

- a)MEMD should promote renewable energy investments and expand grid access to remote areas.
- b)MFPED to ensure UGX 4.02 trillion allocated to UEDCL over a three-year period from the transition to cover operational and capital costs.

(Source: MFPED)



SECTION 9: REGISTERING PROPERTY

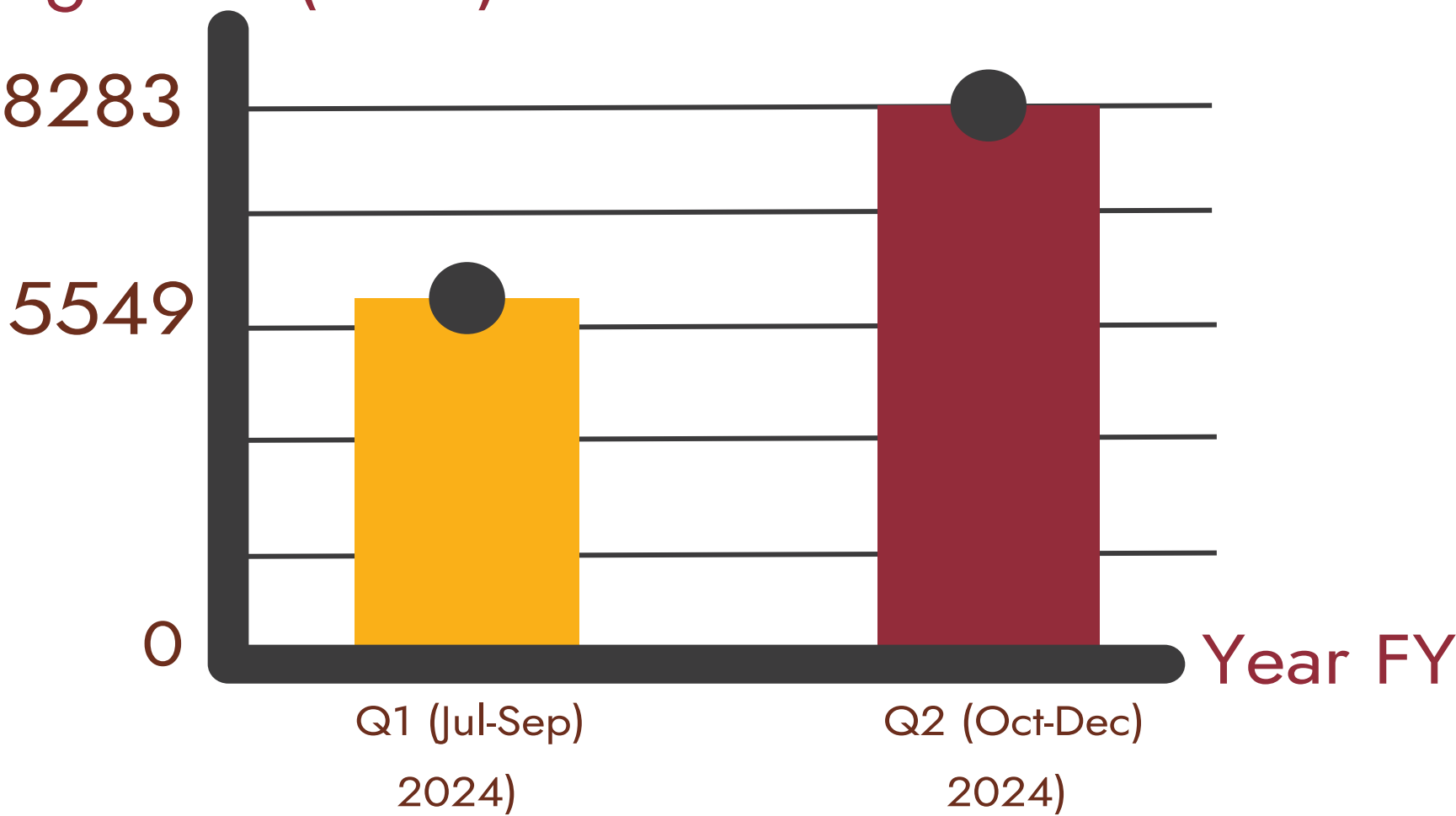
9.1 Update:

1. Share of Titled Land

NO.	REGION	COVERAGE	%age
1	Nothern	5308	8
2	Western	539,798.1023	25
3	Central	1,345,148.0176	62
4	Eastern	120,251.18	6

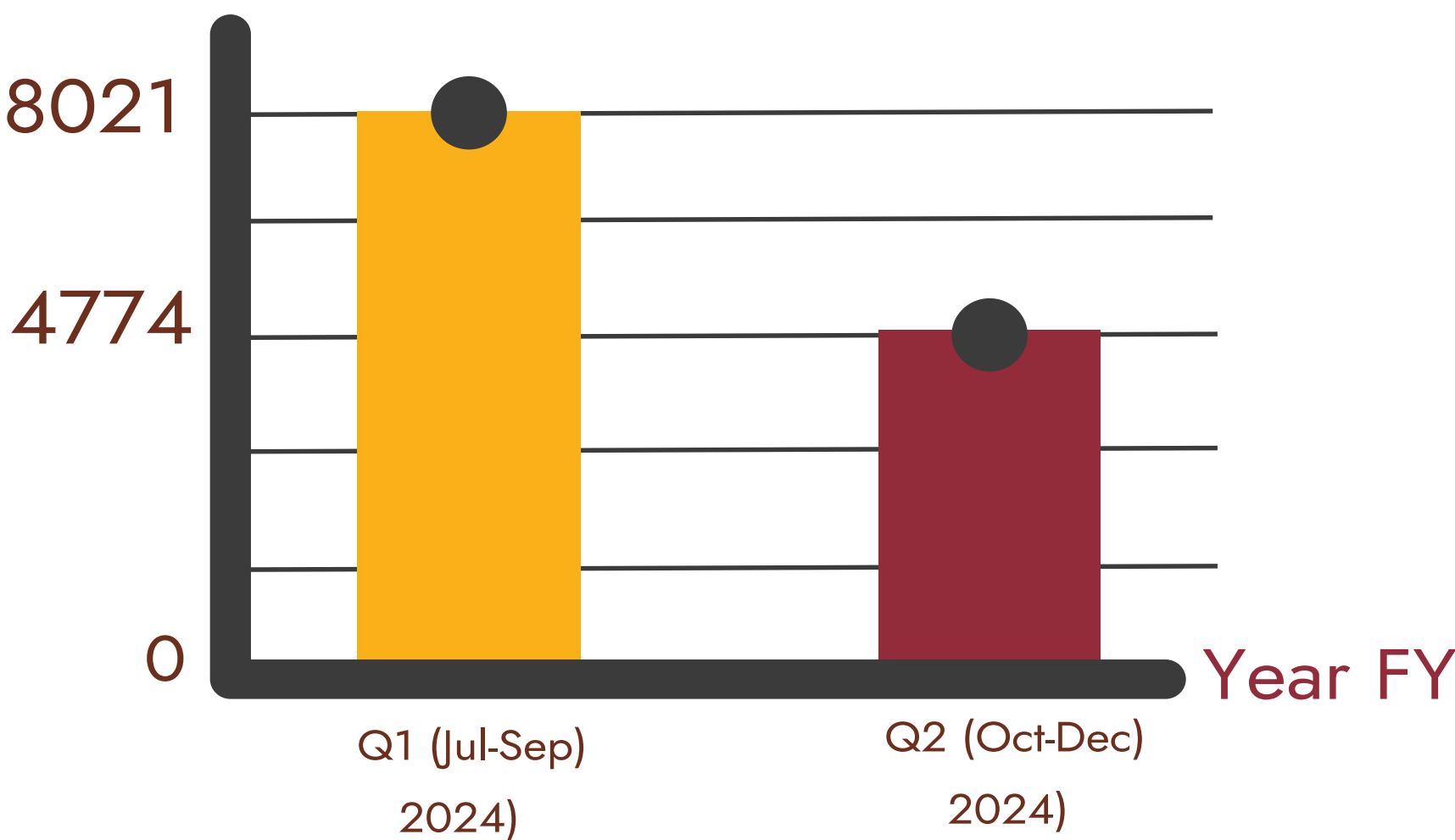
2. Businesses

Businesses
Registered (No.s)



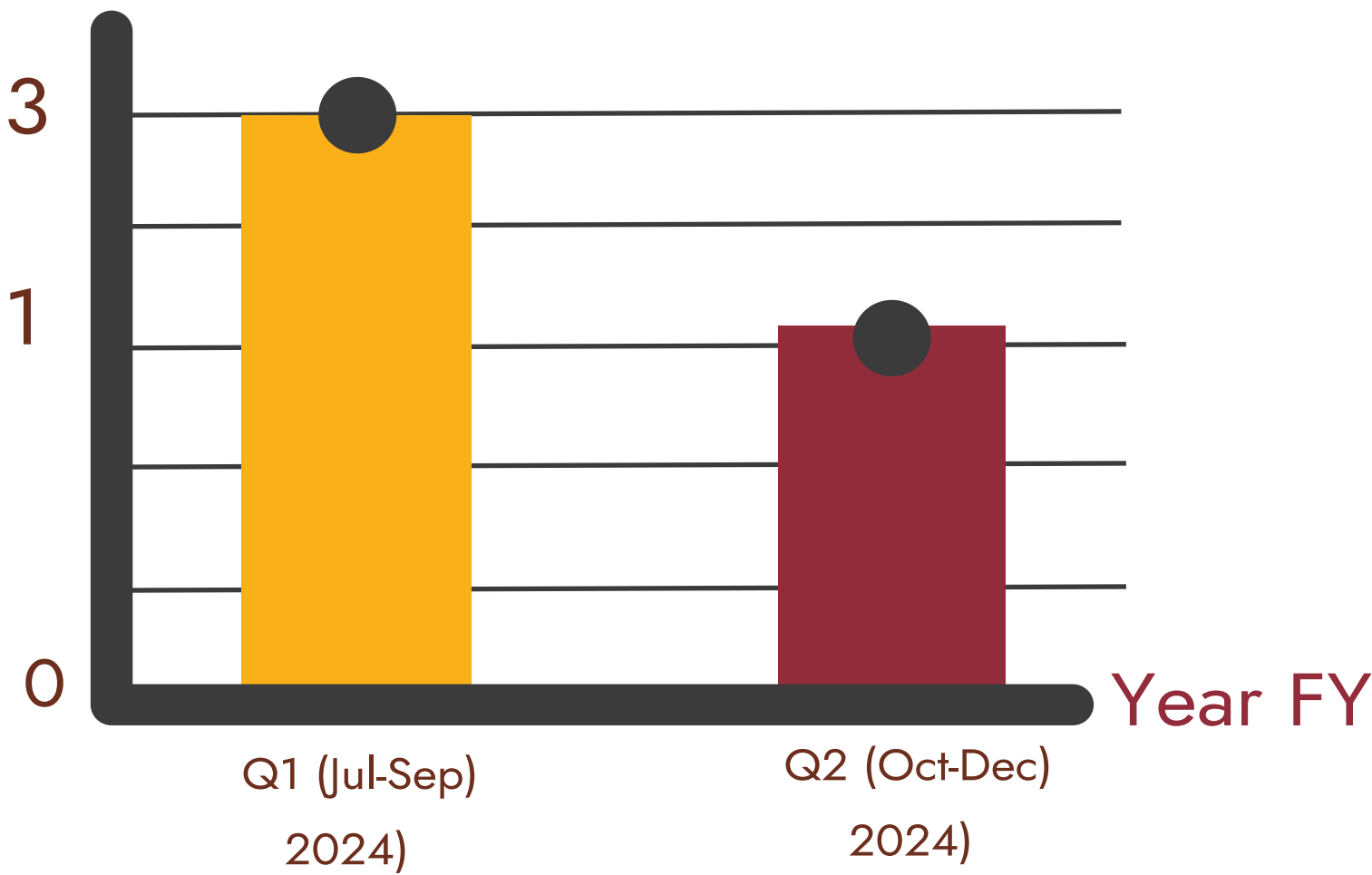
3.Companies

Companies Registered
(No.s)



4.Building Societies

Building Societies
(No.s)



9.2 Implications:

- a) Increased land registration has reduced land conflicts and disputes.
- b) The improved accuracy of land records provides more legal certainty for property owners and investors, fostering confidence in the land market.
- c) Reduction in informality which can foster competition and economic growth.

9.3 Way Forward:

- a) MLHUD to expand public awareness campaigns on property registration benefits and further streamline registration processes through digital channels such as the Uganda National Land Information System (UgNLIS).



MOFPED **#DoingMore**