

FINANCING OF THE NDP 111

MARIS WANYERA

Ministry of Finance Planning and Economic Development

Directorate Of Debt And Cash Policy

11th February 2020

Possible Financing options available

1. Grants
2. Tax Revenues
3. Domestic borrowing
4. External borrowing
5. Equity
6. PPPs

Challenges

1. Gap is the assessment of Financing modalities and their suitability in meeting Governments financing requirements
2. Lack of alignment and implementation of the priorities set out in the NDP
3. Delays in mobilizing project financing
4. Procurement delays
5. Inadequate technical capacity to prepare and implement such projects

Financing Strategy for Government and the NDP 111

Hence Government of Uganda is in the process of developing a financing strategy to address the following

1. Identify all possible financing options available nationally and internationally (Grants, Philanthropists, Bilateral, Multilaterals, Syndications, Tax revenues etc)
2. Identify the characteristics of each type of financing, e.g. amount possible, grace, maturity, interest rates, disbursement methods, repayment methods etc
3. Identify the prerequisites to accessing each type of financing e.g. human rights issues, environmental issues, governance issues, escrow accounts
4. Identify and align types of projects to the different kinds of financing (align the suitability of projects e.g. in terms of rate of return, sectors- some financing could be suitable for a certain kind of sector/project)
5. Identify the skills set required in the understanding, negotiation and acquisition of the different financing options e.g. procurement methods, investor engagement, etc
6. Propose an implementation plan for each type of project alongside the financing/framework to guide the execution of the strategy
7. Align the Financing Strategy with all other existing frameworks eg the MTEF, PIMS, MTDS, Domestic Revenue Resource Mobilisation Strategy, Public Debt Management Framework and propose any changes that may impact the implementation of the plan.

Conclusion

- The Financing strategy will then help streamline the mobilization of resources for the implementation of Government projects and the upcoming NDP 111
- The Directorate of debt will be responsible for monitoring and reviewing the implementation of the financing strategy
- The Strategy will be subject for review every year to allow for the incorporation of new financing options
- The financing Strategy will be implemented in line with Debt Sustainability