



UGANDA ECONOMIC GROWTH CONFERENCE AUGUST 2026

Financing Uganda's Tenfold Growth Innovation, Domestic Resources and Delivery

Financing the Strategy needs cheaper capital, more from Uganda's own resources, and better use of every shilling already available

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ROADMAP

What we will cover

01

The Tenfold ambition & its financing gap

Why business-as-usual financing will not get Uganda to a \$500 billion economy

03

Mobilising cheaper, more affordable finance

New instruments, international examples and the coordination already in place

05

Deploying resources effectively

Project selection, delivery discipline and measurable returns

02

Start with what we already have

Fiscal discipline, closing leakages and fairer domestic resource mobilisation

04

Widening the instrument menu further

Bonds, swaps, diaspora capital and recycling existing public assets

06

Accountability and our recommendations

The bottlenecks, and policy agenda

THE CONTEXT

The Tenfold Growth Strategy needs equally bold financing

Financing source	2022/23 (baseline)	2039/40 (Tenfold target)
Domestic revenue	13.8% of GDP	30.0% of GDP
Private-sector credit	11.0% of GDP	100.0% of GDP
Market capitalisation	10.0% of GDP	100.0% of GDP
Total public debt	46.9% of GDP	40.0% of GDP (deliberately lower)
Foreign direct investment	6.9% of GDP	10.0% of GDP
Remittances	2.8% of GDP	5.0% of GDP

START WITH WHAT WE HAVE

The cheapest finance is the money Uganda already has

Before turning to new borrowing or new instruments, Uganda should close the resource leakages already inside the system — money already raised or already owed, but lost or used inefficiently.

1

Illicit financial flows — trade mispricing, capital flight and offshore concealment that drain resources before they reach the budget

2

Tax expenditures — exemptions, holidays and incentives that narrow the tax base, often without a published cost-benefit case

3

Procurement inefficiencies — inflated contract pricing, weak competition and delayed delivery that raise the cost of every project

4

Corruption and other waste — including "soft corruption" such as absenteeism, which quietly erodes value for money

Let us not raise more revenue on the same compliant taxpayers , rather let us first collect fully and spend well what is already owed.

START WITH WHAT WE HAVE

Fair and efficient domestic resource mobilisation

13.8% → 20.0%

Domestic revenue as a share of GDP, required by 2029/30 under the Tenfold Growth Strategy

Raising more domestically does not have to mean higher rates on the same compliant taxpayers. It means collecting fully and fairly from a wider base.

Broaden The
base



Improve
Compliance

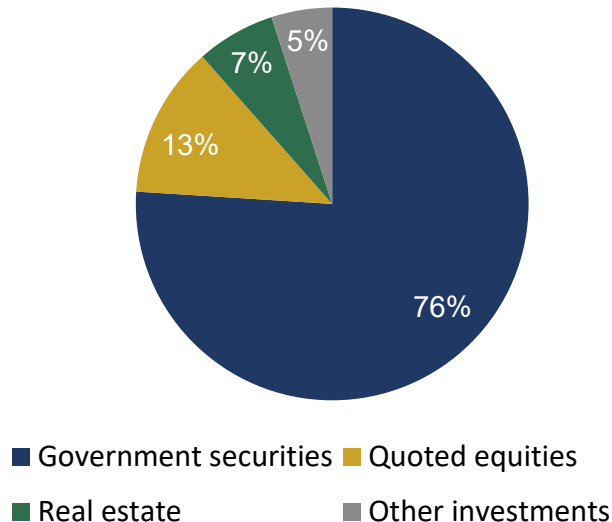


Rationalize Tax
Expenditures

PILLAR 1

Deepen domestic long-term capital: pensions and patient capital

Uganda pension asset allocation (2020/21)



**UGX 4.7tn →
18.0tn**

Pension assets, 2013 to mid-2021

12% of GDP

Pension sector size in 2020, up from 6.6% in 2015

Why this matters

- 76% of a large, growing, long-duration pool of domestic savings sits in government paper.
- This is the same crowding-out dynamic seen in the banking sector — but also a real opportunity to redirect capital into infrastructure bonds and project debt.
- Needs the right instruments and regulatory comfort, plus patient, risk-tolerant capital (10–25-year horizons, e.g. Africa50) to fill the gap short-term bank debt cannot.

Source: Uganda Retirement Benefits Regulatory Authority (URBRA); PIFS (2022).

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PILLAR 1

Widening the menu: thematic bonds and Sukuk

Nigeria

Sovereign Green Bond, 2017

Africa's first certified sovereign green bond (₦10.69bn); oversubscribed; financed renewable energy and afforestation; repeat tranches followed.

Kenya

Acorn Holdings Green Bond, 2019

East Africa's first green bond, listed on the Nairobi Securities Exchange; financed certified green student housing.

Egypt

Sovereign Green Bond, 2020

First sovereign green bond in MENA (US\$750m); financed clean transport and water; oversubscribed.

Nigeria — Sukuk

Sovereign Sukuk, 2017

An Islamic finance certificate — a Sharia-compliant alternative to a bond. Nigeria's debut was oversubscribed roughly 5.8 times, with proceeds earmarked exclusively for road construction.

Relevance for Uganda: the National Climate Finance Strategy and emerging sovereign green bond framework give us the policy basis for thematic bonds; the Capital Markets Authority has also issued Sukuk guidelines. The missing piece for both is an eligible, well-documented pipeline and a completed debut transaction.

PILLAR 1

Widening the menu: swaps, outcome-based bonds and diaspora capital

Ethiopia — Grand Ethiopian Renaissance Dam

US\$4.8bn

Total project cost, 6.45 GW capacity

>US\$1bn

Mobilised domestically and from the diaspora

- International lenders, including the World Bank, declined to finance it over downstream Nile disputes.
- Ethiopia sold GERD bonds to citizens and civil servants, ran a national lottery, issued diaspora bonds, and used mobile-money and bank-channel contributions.
- *Caution: reported salary deductions and pressure on civil servants raised real questions about voluntariness and transparency.*
- Also worth scoping: debt-for-climate/nature swaps on discounted external debt — though most of Uganda's debt is concessional, narrowing the case.

Kenya — M-Akiba retail infrastructure bond

2017

World's first mobile-phone-traded government bond

~US\$25

Minimum investment (KES 3,000) via M-Pesa

- Voluntary, technology-enabled retail participation in infrastructure financing.
- Moderate uptake, but proved mobile-based retail bond distribution is operationally feasible.
- **Directly matches Uganda's own ambition to link mobile money to domestic debt mobilisation.**
- Also worth piloting: outcome-based impact bonds, repaying investors only on verified results — as in India's Educate Girls bond.

WIDENING THE MENU FURTHER

Asset recycling: unlocking capital already on the balance sheet

Lease the revenue, not the asset

The core idea behind asset recycling

Governments monetise the future revenue of already-built public assets — toll roads, power transmission lines, warehouses — through long-term leases or concessions, then redeploy the proceeds into new infrastructure. The underlying asset is not sold; only the right to operate and collect revenue for a fixed period changes hands.

- India's National Monetisation Pipeline packaged assets across roads, railways, power and telecoms for lease to private operators, redeploying proceeds into new infrastructure without adding sovereign debt (indicative programme — figures require verification).
- The approach depends on assets with a reliable, ring-fenced revenue stream — toll roads, market revenues, licensed infrastructure — so the model fits some of Uganda's assets better than others.
- This is an emerging area for Uganda; a fuller feasibility assessment of candidate assets and legal readiness is a priority next step for this analysis.

PILLAR 1

Mainstream climate finance and catalytic development banking

US\$28.1bn

Uganda's climate finance gap by
2030

National Climate Finance Strategy (2025–2030) establishes a framework for mobilising, accessing and tracking climate finance, explicitly linked to NDP IV — covering agriculture, energy, transport, waste and industry.

- Climate finance is one of the few areas where concessionality, guarantees, grants and blended capital can still materially lower the cost of investment for a low-income country.
- The operational trigger: climate-aligned projects often have strong long-term returns but high upfront costs or long payback periods — exactly where thematic bonds and swaps can help.
- The bottleneck: pipelines are often too small, fragmented, or weakly documented to absorb capital at scale.
- Development banks can absorb this risk directly: Uganda Development Bank's own climate finance facility blends debt, equity and guarantees at below-market rates, complementing rather than replacing commercial lenders.

PILLAR 1

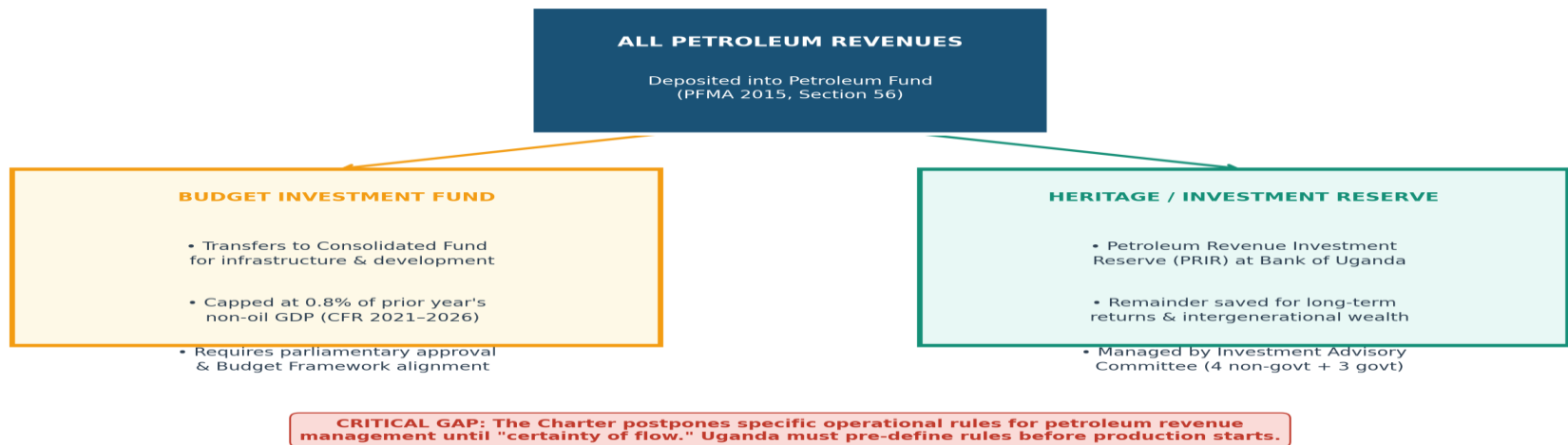
What other countries are doing — the pattern is consistent

Instrument	Working examples	Relevance for Uganda
Green/corporate bonds	Nigeria, Kenya, Egypt	Sovereign framework is emerging — pair with an eligible pipeline
Sovereign Sukuk	Nigeria, Malaysia, South Africa	Capital Markets Authority guidelines exist — need an identified asset pool and a debut deal
Debt-for-nature swaps	Seychelles, Belize, Gabon, Ecuador	Best on discounted commercial debt; bilateral pilot worth scoping
Impact bonds	UK, India, Cameroon	Suits discrete, measurable outcomes as a pilot, not infrastructure
Mobile retail bonds	Kenya (M-Akiba)	Matches Uganda's own mobile-money ambition for domestic debt
Diaspora/citizen capital	Ethiopia (GERD)	Borrow the ambition; design for voluntariness and transparency
Pension infrastructure investment	Kenya, Rwanda, South Africa	Uganda is 76% concentrated in govt securities — direct opportunity
Blended climate finance at scale	South Africa (JET-P)	Model for aggregating Uganda's climate-finance asks

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OIL REVENUE FUNDS: UGANDA'S CHARTER OF FISCAL RESPONSIBILITY

Fiscal Rules for Oil Funds: Uganda's Charter of Fiscal Responsibility



Source: PFMA 2015; Charter of Fiscal Responsibility (2021–2026); IMF; Econstor Working Paper

ALL PETROLEUM REVENUES → Deposited into Petroleum Fund (PFMA 2015, Section 56)

CRITICAL GAP: The Charter postpones specific operational rules until 'certainty of flow.' Uganda must **PRE-DEFINE** rules before production starts.

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PILLAR 2 – DEPLOYING RESOURCES EFFECTIVELY

Money well spent: project selection and return discipline

Raising and mobilising capital is only half the task. Countries that neglect the basics of public investment management finance projects that are politically visible but economically weak.

1

Sound legal and institutional framework, with clear roles across government

2

Strong pre-appraisal and appraisal

3

Rigorous selection and prioritisation

4

Integration with capital budgeting and multiyear commitment control

5

Effective procurement and monitoring

6

Stronger asset management and ex post evaluation

The rule: where a project's return exceeds the cost of capital, it should go to commercial or private financing; where it does not, it should go to grants, concessional loans or government revenue — tested through mandatory pre-appraisal, a standard published discount rate, and independent challenge before any project enters the budget.

PILLAR 28 – DEPLOYING RESOURCES EFFECTIVELY

Cross-cutting bottlenecks, stated plainly

Project preparation

Insufficient funding for feasibility, structuring and investor-grade documentation.

Pipeline

Fragmented sponsor information; weak standardisation of data across sectors.

Institutional

Fragmented mandates; weak central coordination; inconsistent follow-through.

Market

Shallow long-term capital markets; over-concentration in government paper.

Legal & implementation

Land-acquisition delays, permitting uncertainty, contract-enforcement risk.

Risk allocation

Inadequate use of guarantees, first-loss capital and currency-risk mitigation.

Capability

Limited structuring expertise in partnerships, thematic bonds, Sukuk, swaps, impact bonds.

Untested instruments

Frameworks exist on paper (Sukuk, infra bonds, green bonds) but no completed transaction yet.

Monitoring

Weak post-approval tracking; a financing-strategy timeline not consistently renewed or reported.

RECOMMENDATIONS

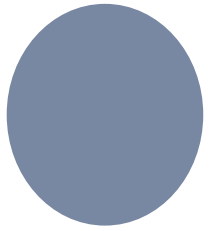
Recommended policy agenda (1 of 2)

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| <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">1</div> <p>Use public money as catalytic capital</p> | <p>For preparation, guarantees, viability-gap support, first-loss layers and enabling infrastructure — not as a substitute for private finance.</p> |
| <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">2</div> <p>Adopt a trigger-based approach</p> | <p>The partnerships, blended structures and green finance are chosen because they fit the problem, not because they are fashionable.</p> |
| <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">3</div> <p>Build a national bankability discipline</p> | <p>Common project standards, stronger appraisal, readiness tracking and investor-grade deal books.</p> |
| <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">4</div> <p>Close leakages, strengthen domestic revenue and reduce crowding-out</p> | <p>Tackle illicit financial flows, tax expenditures and procurement inefficiencies; broaden the tax base; smooth domestic issuance; and diversify pension-fund allocations beyond government securities.</p> |
| <div style="background-color: #003366; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">5</div> <p>Mainstream climate and green finance</p> | <p>Use the sovereign green bond framework as a market-building reform, not a one-off transaction.</p> |

RECOMMENDATIONS

Recommended policy agenda (2 of 2)

6	Pursue a debut Sukuk under the Capital Markets Authority's guidelines	Ring-fenced to a small, clearly identified pool of revenue-generating public assets, following Nigeria's transparency model.
7	Scope a debt-for-climate/nature swap	Feasibility assessment tied to a priority conservation landscape and Uganda's actual external-debt composition.
8	Pilot one or two outcomes-based impact bonds	In a narrowly defined, independently verifiable social outcome area.
9	Design a transparent, voluntary retail/diaspora infrastructure bond	Under the finalised infrastructure bond framework, distributed via mobile money — modelled on M-Akiba's accessibility, not on compulsory salary deductions.
10	Deploy patient capital, pilot asset recycling, and publish independent Petroleum Fund reporting	Direct part of pension/patient capital toward long-gestation priority projects; commission a feasibility study on recycling revenue-generating public assets; and stand up an independent oversight committee — modelled on Ghana's Public Interest and Accountability Committee — over oil-fund inflows and outflows.
11	Renew and operationalise the financing-coordination monitoring architecture	Extend the Resource Alignment Committee's mandate and its implementation timeline through the current Plan horizon; report on a fixed, public schedule.



Affordable finance begins upstream, and is monitored — not just launched. Discussion & Questions.



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