



Uganda

Conclusion

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Conclusion

Chart 45: Recommendations

Recommendations:

- Enhance education quality and address skills mismatches to align with labour market needs.
- Expand and improve transportation networks, electricity, and broadband, focusing on rural areas.
- Invest in urban infrastructure for sustainable growth and resource management.
- Educate and support smallholder farmers with better access to inputs.
- Improve trade-industry connections and reduce business costs.
- Enhance security, institutional capacity, and inclusiveness through reforms.
- Fully implement the AfCFTA and diversify exports to reduce import dependency.
- Improve healthcare infrastructure and services and ensure access to clean water and sanitation.
- Invest in renewable energy and encourage the use of modern cooking technologies
- Create policies targeting youth unemployment and human capital development.

This report seeks to model Uganda's future by examining the current development trajectory (Current Path) and developing sectoral scenarios for the 2040 forecast horizon. It shows that while Uganda faces many development challenges, it has made progress in key areas such as educational attainment, basic infrastructure and attracting foreign capital. However, progress is slow, and on its current trajectory, Uganda will not achieve its aspiration of graduating to middle-income status by 2040. Thus, more rigorous and targeted socio-economic policy interventions are needed to improve the country's current development path.

With the right set of policy interventions, Uganda can advance significantly in human and economic development. The implementation of the eight sectoral interventions can raise Uganda's GDP per capita to US\$6 925, although this will be below the Vision 2040 target of US\$9 500. However, under the Combined Agenda 2063 scenario, Uganda will attain a GDP per capita of US\$9 568 by 2045. This scenario also envisions a substantial reduction in the extreme poverty rate from 41.3% in 2019 to only 1.9% by 2040, lifting 11 million more people out of poverty compared to the Current Path forecast.

Demographic projections indicate a population increase to 78.3 million by 2040, with strategic investments in health and education potentially yielding a potential demographic dividend by 2052. However, youth unemployment, skills mismatches and urban infrastructure deficits require continued focus. Educational improvements have led to higher enrolment rates but tertiary transitions remain low. Enhancing education quality, especially in STEM fields, is essential to meet future labour market demands.

Infrastructure development is pivotal, with significant advancements in paved roads, electricity access, and broadband connectivity projected by 2040. In addition, rural access to electricity is critical. Agriculture, which contributes significantly to GDP and employment, faces modernisation challenges and climate change impacts. Increased crop yields and reduced food insecurity are expected by 2040, lessening import dependency.

Manufacturing is set to boost GDP and employment through investment and R&D, while trade openness is expected to rise with the AfCFTA, enhancing Uganda's trade balance and resilience. Governance improvements are crucial for sustained growth, with expected enhancements in security, capacity and inclusion by 2040. These changes will foster better economic growth and service provision, leading to a more stable and democratic society.

In conclusion, Uganda's strategic focus on industrialisation, human capital, infrastructure and governance reforms provides a robust foundation for achieving Vision 2040's goals. However, achieving these targets will require concerted and sustained efforts to address existing challenges and capitalise on emerging opportunities. With comprehensive and well-implemented policies, Uganda can make significant strides towards becoming a prosperous, middle-income country while mitigating environmental impacts through a full transition to renewable energies.

Key Recommendations for Policymakers in Uganda:

- Improve the quality of education, particularly in STEM fields, and increase transitions from secondary to tertiary education. Expand access to education in rural areas and address the skills mismatch to better align with labour market demands.
- Focus on expanding and improving transportation networks, electricity access and broadband connectivity, particularly in rural areas. Prioritise projects that enhance productivity and quality of life.
- Develop comprehensive urban planning strategies to manage the rapid urbanisation process. Invest in urban infrastructure to support sustainable growth and reduce the strain on existing resources.
- Support smallholder farmers through education, extension services and improved access to inputs. Implement climate-resilient agricultural practices to increase crop yields and reduce food insecurity.
- Invest in research and development, enhance support for SMEs and improve trade-industry linkages. Focus on reducing business costs and improving infrastructure to make manufacturing more competitive.
- Continue to improve governance through reforms that enhance security, institutional capacity and inclusiveness. Promote transparency and reduce corruption to build a stable and democratic society.
- Fully implement the AfCFTA to increase trade openness and improve Uganda's trade balance. Focus on enhancing agricultural productivity and diversifying exports to reduce dependency on imports.
- Invest in healthcare infrastructure and services to reduce maternal and child mortality, combat non-communicable diseases and improve overall life expectancy. Ensure access to clean water and sanitation to prevent communicable diseases.
- Invest in renewable energy sources to reduce dependency on fossil fuels. Implement policies that encourage the adoption of modern cooking technologies and increase rural access to clean energy solutions.
- Develop and execute targeted policies that address youth unemployment, support human capital development and

foster private sector growth. Ensure that these policies are inclusive and equitable to reduce poverty and inequality.

By focusing on these strategic areas, policymakers in Uganda can create a robust foundation for sustainable economic growth, improve living standards and move closer to achieving the Vision 2040 goals.

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Mustapha Jobarteh joined the ISS in January 2022 as a Senior Researcher in the African Futures and Innovation programme in Pretoria. Before joining ISS, Mustapha was a senior lecturer and Head of the Department of Economics and Finance at the University of the Gambia and a research fellow with the Center for Policy, Research and Strategic Studies. His interests include macroeconomics, international trade and econometric modelling. Mustapha has a PhD in economics from Istanbul Medeniyet University, Istanbul, Turkey.

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