

Country Development Cooperation Policy for the Republic of Uganda

July, 2017

1. Background and Rationale of Assistance

Uganda embraces a population of nearly 40 million and constantly maintains 4 to 5 % annual economic growth rate. Moreover, Uganda is located at the core of the Northern corridor which links Rwanda, Burundi, eastern part of the Democratic Republic of Congo, South Sudan, and northern Tanzania, with Kenya's outer harbor, Mombasa. In addition, recent development of the oil industry in Uganda has attracted growing interest among the Japanese business community. Uganda aims to maximize its geographical advantages and promotes regional integration through active participation in regional intergovernmental bodies such as EAC (East African Community) and COMESA (Common Market for Eastern and Southern Africa). It is, therefore, essential for Japan to provide development cooperation in Uganda in order to facilitate region-wide development in East Africa. Furthermore, Uganda serves as a backbone to the regional stability by accommodating more than 1 million refugees who fled humanitarian crises including armed conflicts in the neighboring countries.

As envisioned in Vision 2040, Uganda aims to transform the society from a peasant country to a modern prosperous one within 30 years. To achieve this vision, poverty reduction on national scale through economic growth is essential, and areal and regional disparities (i.e., between urban and rural; the north and the other regions) need to be tackled. The northern region had suffered from a decades-long conflict until 2006, and the region is still lagged behind in many socioeconomic indicators including basic infrastructure, social service delivery, and human resource development.

In this context, Japan will promote investment in quality infrastructure and social stability for shared prosperity in line with Japan's measures for Africa as announced at TICAD VI (Sixth Tokyo International Conference on African Development) in Nairobi, Kenya in 2016. Japan's investment in these essential spheres will lead Uganda's effort to achieve the goals of its National Development Plan.

2. Basic Policy of Japan's Official Development Assistance in Uganda (Principal Goal): To support poverty reduction and redress regional disparity through economic growth

Japan contributes to the economic growth of Uganda and its neighboring countries by supporting infrastructure and human resource development. Japan also supports livelihood improvement in Uganda, while being mindful of the regional disparity.

3. Priority Areas (Areal Goals)

(1) Improvement of conditions conducive to economic growth

Japan contributes to sustainable economic growth in Uganda through infrastructure development, bearing utilization of Japanese technologies and know-hows for project formulation in mind. Japan also supports capacity and skills development of individuals, who will be the foundation of industries in Uganda (e.g., through assisting BTVET: Business, Technical Vocational Education and Training).

(2) Income generation through the development of rural communities

Uganda, endowed with fertile land and high precipitation, is suitable for agriculture. Nearly 70 percent of the total population is engaged in agriculture. Despite its economic importance and potential, however, the sector struggles with low production and productivity, resulting in slow income growth for farmers. Japan aims to assist income generation of farmers through promoting efficient and effective production of cash crops with a primary focus placed on rice production, introducing NERICA (New Rice for Africa) varieties and other types of rice suitable for the country's environmental conditions.

(3) Improvement of living conditions (health and water supply)

To improve basic livelihoods, Japan aims to improve and expand facilities and equipment at regional referral hospitals, and their management skills and service provision. In the area of water supply, Japan aims to improve water supply ratio in rural areas by constructing water supply facilities and strengthening the local capacity of water management and maintenance.

(4) Social Stability for Northern Uganda

Japan aims to enhance livelihoods and vocational skills of people in Northern Uganda where economic development is lagged behind in the post-conflict reconstruction. Japan supports capacity development of the local governments and infrastructure development in order for strengthening community resilience. By assisting in these areas, Japan aims to promote social stability of the region. Japan also provides assistance to the refugees from the neighboring countries including the support for strengthening resilience of the host communities.

4. Other points to be noted

(1) While being mindful of the geographical importance of Uganda, Japan strives to formulate projects that contribute to the regional economic integration with its neighboring countries.

(2) Japan strives to formulate projects in harmony with Uganda's Second National Development Plan and Vision 2040. In order to implement effective development cooperation, Japan engages herself in active dialogues with the Government of Uganda and other development partners.

(3) Japan encourages Public Private Partnership, private investment, and trade, utilizing private sector's know-hows and technologies.

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