INTEGRATED SDG INSIGHTS

UGANDA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT

Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).

It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).

Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).

These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: UGANDA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

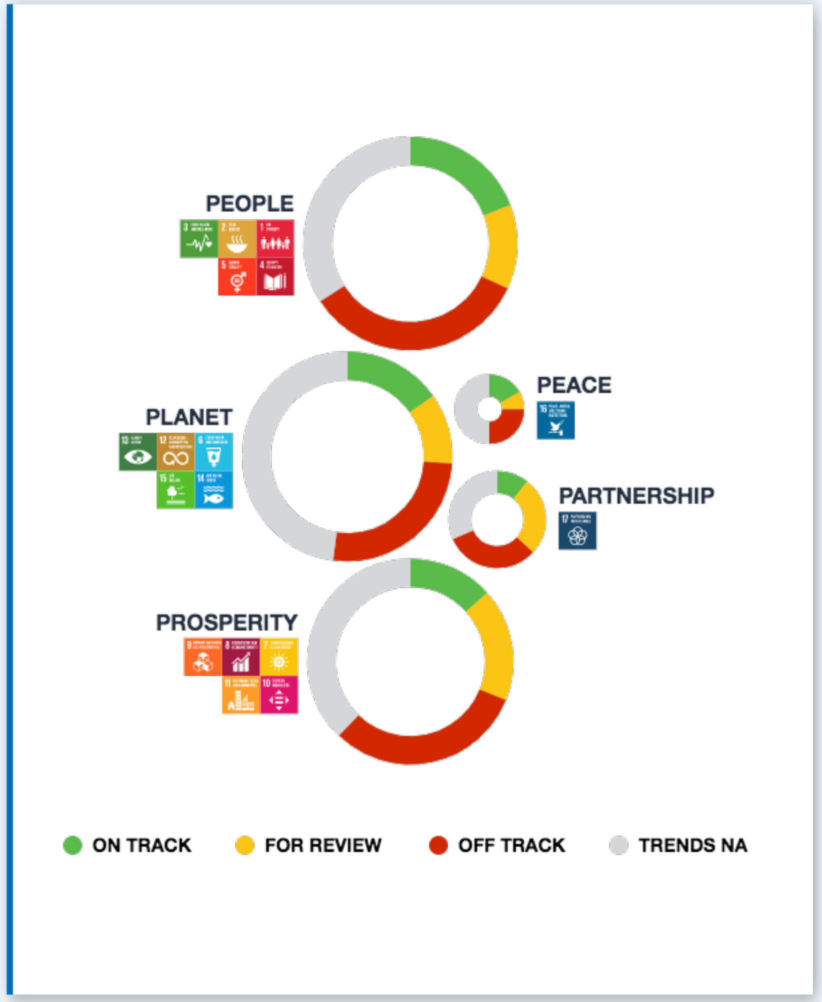
Uganda's economic growth during the 2023-2025 cycle is in acceleration, characterized by being twice that of the projected world growth rate, and well below the country's growth trajectory projected before the pandemic.[1] Accordingly, the country's commitments to achieving the SDGs are focused on increasing people's well-being.

This pace of economic growth would exert a positive impact on poverty reduction at $2.15 and $3.65 a day — though there are still significant distributional challenges to accelerate the pace of progress from the high prevailing levels. However, this economic cycle comes at the expense of the environment as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 3.3% due to fossil fuel usage.[2]

[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO2 emissions intensity of GDP is computed as tonnes of CO2 per $1,000 (2017 PPP).

SDG TRENDS

Understanding how Uganda performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows UN Stats standards and methodology, and is aligned with country profiles.



Trends in detail: https://data.undp.org/sdg-push-diagnostic/UGA/sdg-trends

SDG PRIORITIES

Uganda's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:

- Uganda Vision 2040
- Third National Development Plan III, 2020/2021–2024/2025

Priorities in detail: https://data.undp.org/sdg-push-diagnostic/UGA/current-priorities

SDG INTERLINKAGES

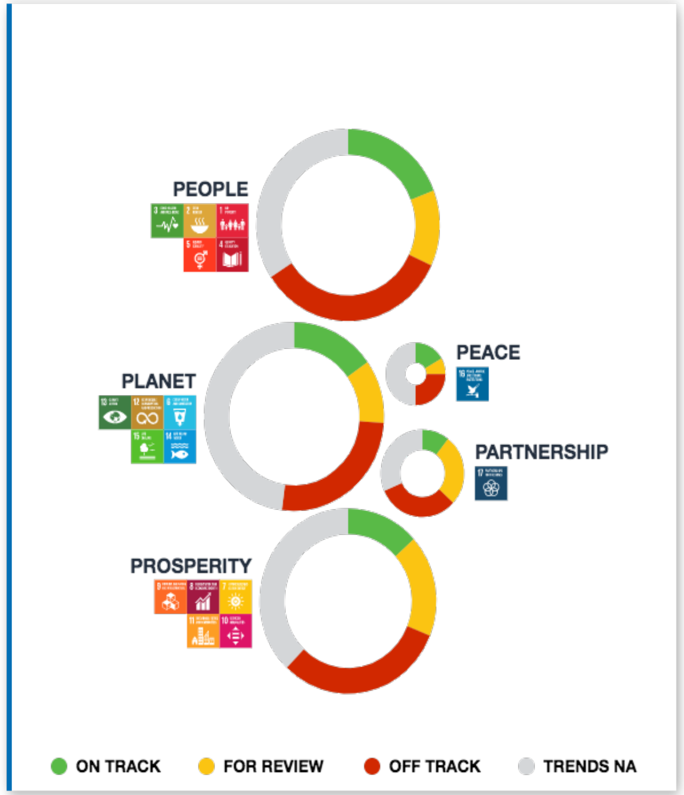
SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Uganda to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Uganda's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Uganda:

- Target 8.5: Full employment and decent work with equal pay will help achieve progress in 55 other SDG targets.
- Target 9.2: Promote inclusive and sustainable industrialization will help achieve progress in 48 other SDG targets.
- Target 16.6: Develop effective, accountable and transparent institutions will help achieve progress in 72 other SDG targets.

In Uganda, these three SDG targets could be priority areas for investment and policy change that will help secure maximum progress across the SDGs.



ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

ON TRACK FOR REVIEW OFF TRACK TRENDS NA

SDG INTERLINKAGES

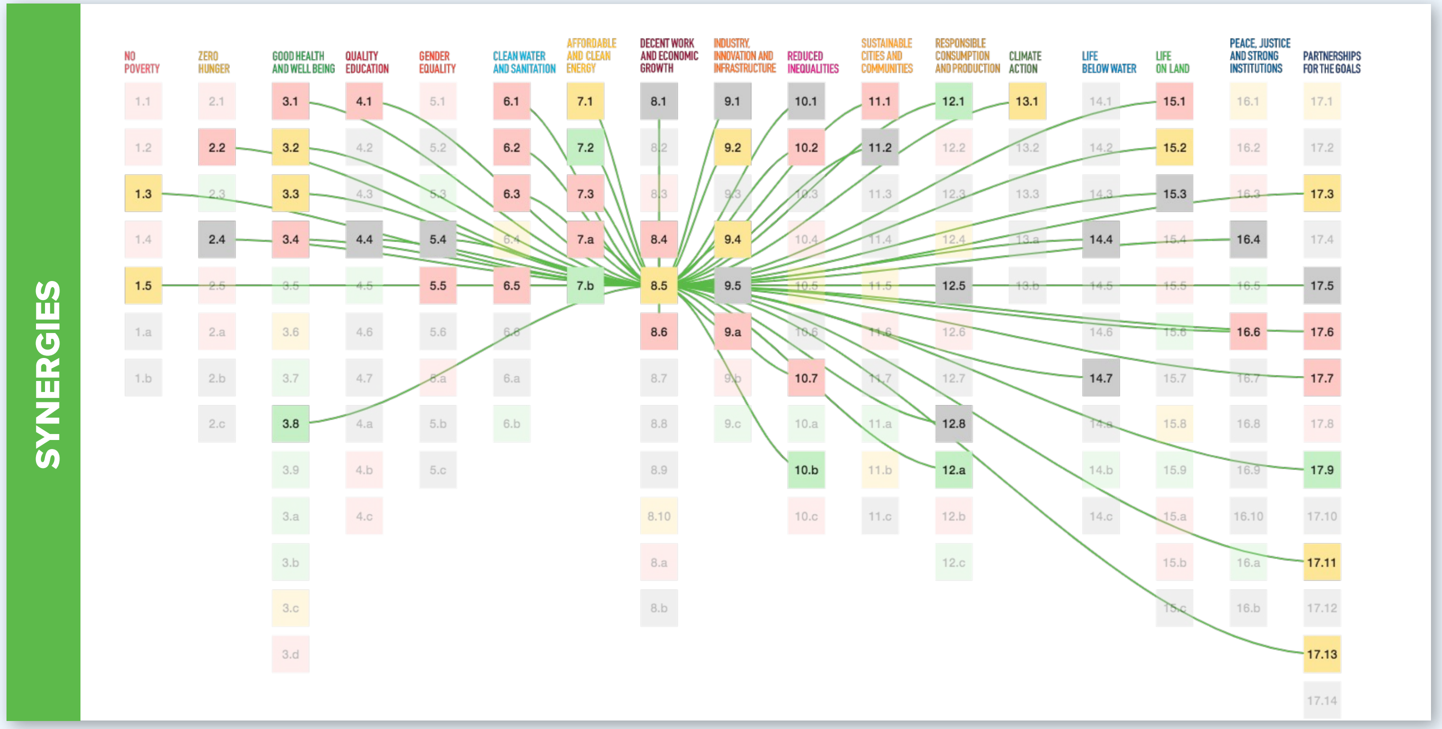
8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

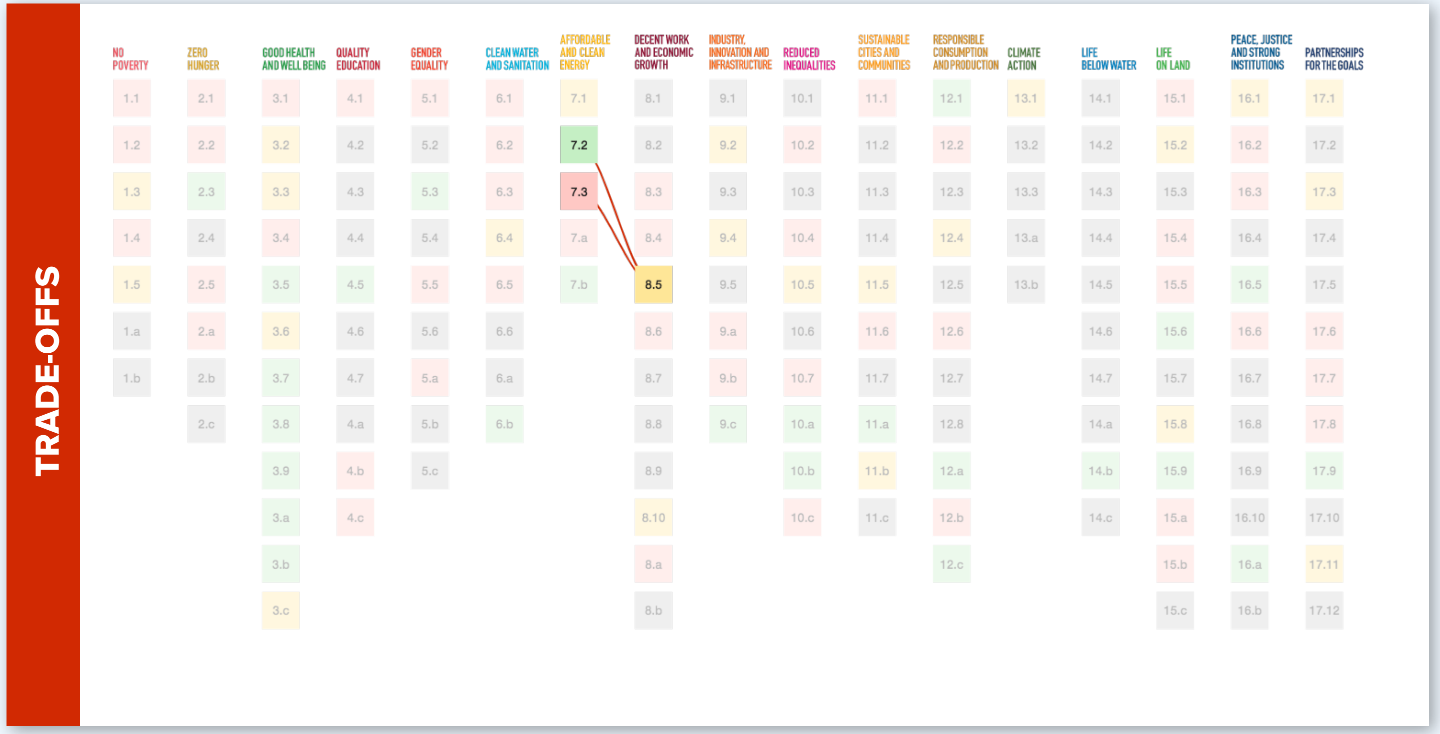
Unemployment remains higher among youth at 17 percent – with a higher rate among young females (20 percent) than young men (14 percent). Additionally, the youth population (aged 15-24 years) not in education, employment, or training accounted for 41.1% in 2021. This shows that more than half the youth potential (58.1 percent) has not been utilized productively, a situation that undermines the demographic dividend.

The government is developing a National Employment Strategy 2023-2028 and an action plan for 2023-2025. The strategy aims to increase decent and productive work opportunities through four policy priority pillars, as follows: (i) Strengthening job-rich growth and investment; (ii) strengthening education and training systems to meet labour market needs; (iii) eliminating barriers to employment of vulnerable groups (women, persons with disabilities, youth, refugees, migrants and the long-term unemployed); and (iv) strengthening employment and social protection linkages.

The Strategy also highlights the seven strategic sectors with the highest potential to generate inclusive growth and employment, as well as a governance, monitoring and evaluation framework to measure progress.

Investment in SDG 8.5 will help in achieving progress in 55 other SDG target areas, mainly SDG 17 (7 targets); SDG 3, 7 and 9 (5 targets). It has the potential to negatively impact SDG targets 7.2 and 7.3. This means that such efforts need to be complemented with policies to reduce the energy intensity and to increase its efficiency to mitigate the potential negative impact.





Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/UGA/synergies-and-tradeoffs

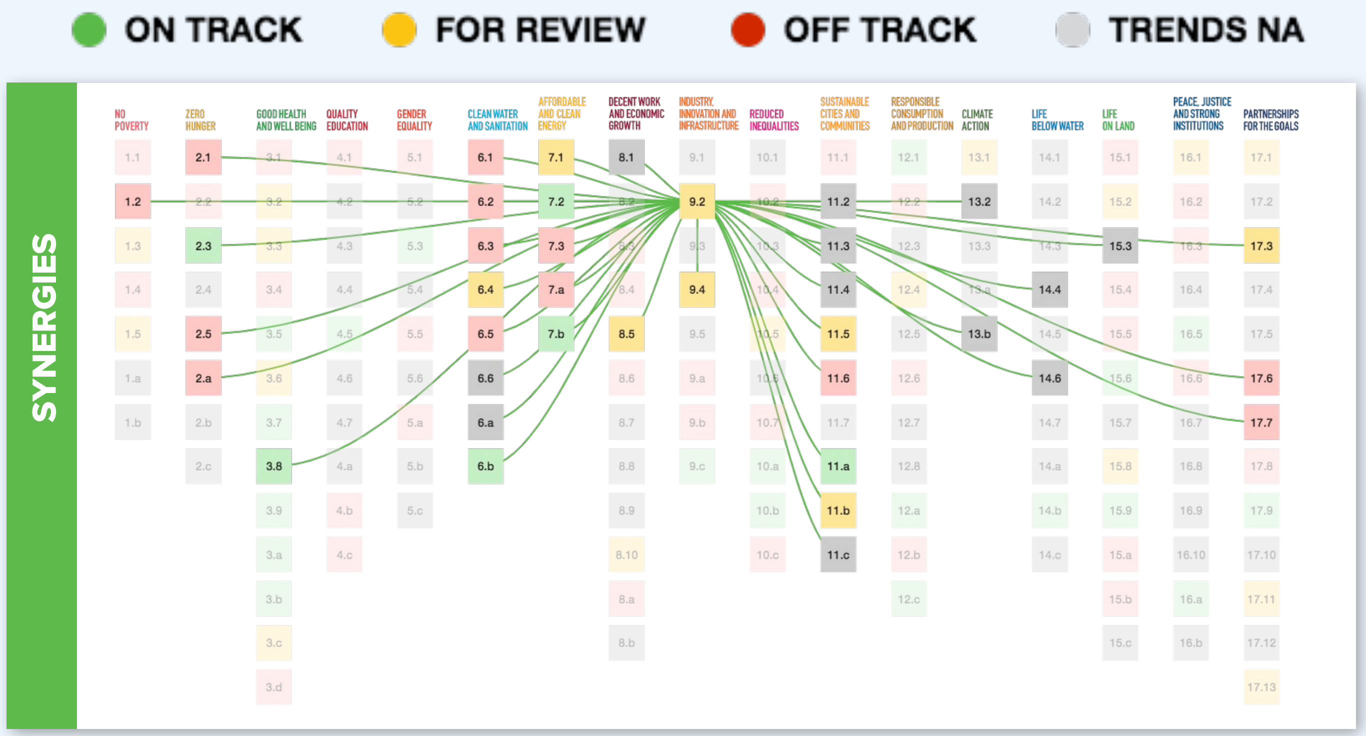
SDG INTERLINKAGES

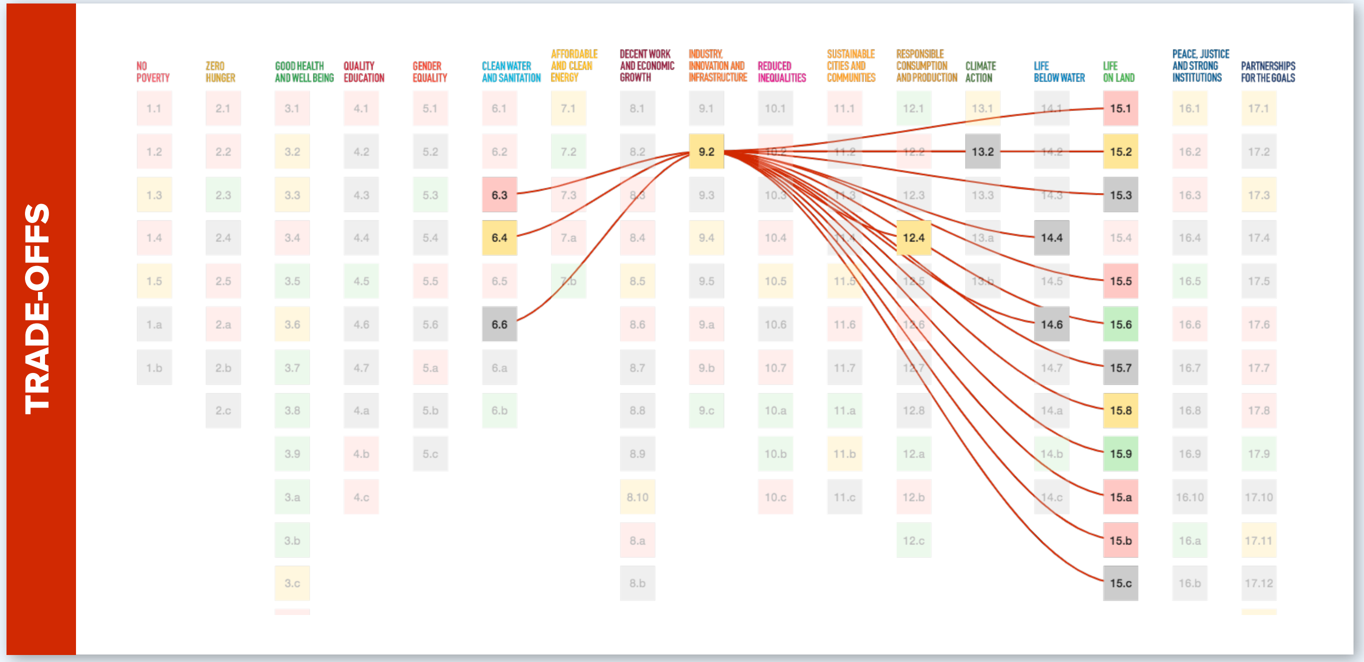
9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

Uganda currently faces a challenge of how to transform its economic activity away from low value-added agricultural production, non-tradeable services and manufacturing activities towards high value globally competitive industry for exports. Related challenges include the high costs of infrastructure, the limited availability of technical and managerial skills and the high cost of credit.

The NDP III (2020/21–2024/25) identified industrialization, governance and the environment as key SDG accelerators. Of the 20 priority programmes, 3 are exclusively focused on promoting industrialization, notably agro-industrialization, manufacturing and mineral-based industrialization. The government also put it in place the required policy and legal framework, including the National Industrial Policy and Strategy and the African Continental Free Trade Area Implementation Strategy.

By investing in Target 9.2, Uganda can accelerate progress in 48 other SDG targets, mainly in SDG 6 and 11 (8 targets), SDG 7 (5 targets), SDG 2 (4 targets). The pursuit of industrialization also entails trade-offs. It requires careful consideration of environmental sustainability as industrial activities can have adverse ecological impacts — affecting ecosystems (SDG 15 and SDG 6). Therefore, it is crucial to promote sustainable industrialization for inclusive growth, employment and wealth creation.





Explore the interlinkages at:
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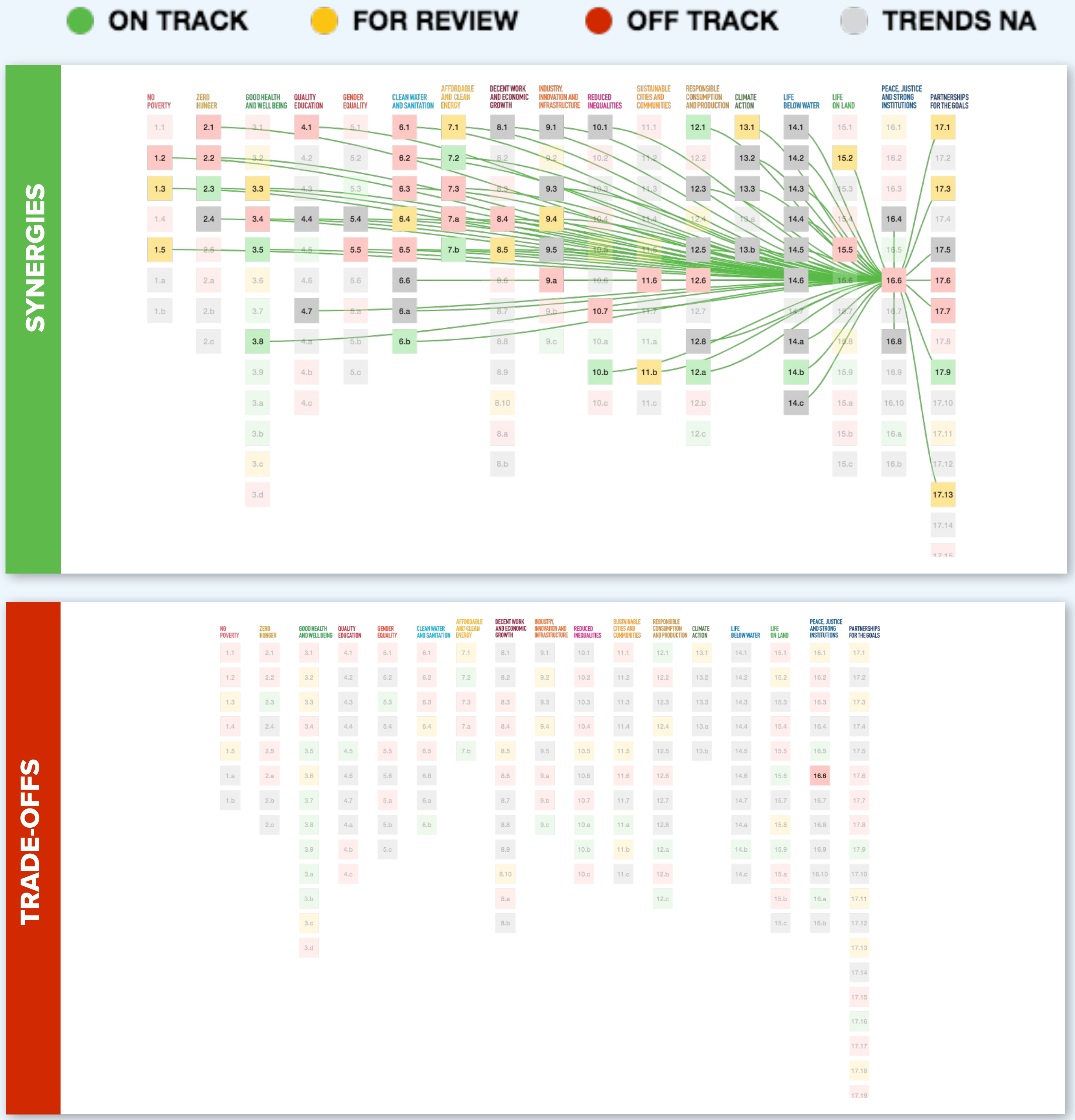
SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

In the NDP-III the Government of Uganda identified the following deficiencies as key challenges in the governance domain: (i) weak policy, legal and regulatory frameworks for effective governance; (ii) weak business support environment; (iii) low respect for and observance of human rights and fundamental freedoms; (iv) limited access to and affordability of justice; (v) high crime rates; (vi) a weak societal security structure; and (vii) corruption.

The government recognizes these challenges and is working to strengthen the transparency and accountability systems and the institutions to promote good governance. Of the 20 priority programmes in NDP-III, 3 programmes exclusively focus on good governance (governance and security, administration of justice and the legislature). In the NDP-III, the government established an APEX Platform to strengthen the oversight role of the Presidency to improve public policy management and accountability. The government introduced the Parish Development Model to improve public service delivery, especially to vulnerable population groups.

Investment in SDG Target 16.6 will help achieve progress in 72 other SDG targets. Specifically, it will accelerate progress in SDG 14 (9 targets), SDG 6 (8 targets), SDG 17 (7 targets), and SDG 12 (6 targets). Investment in SDG 16.6 has no known trade-offs to other SDGs.



Explore the interlinkages at:
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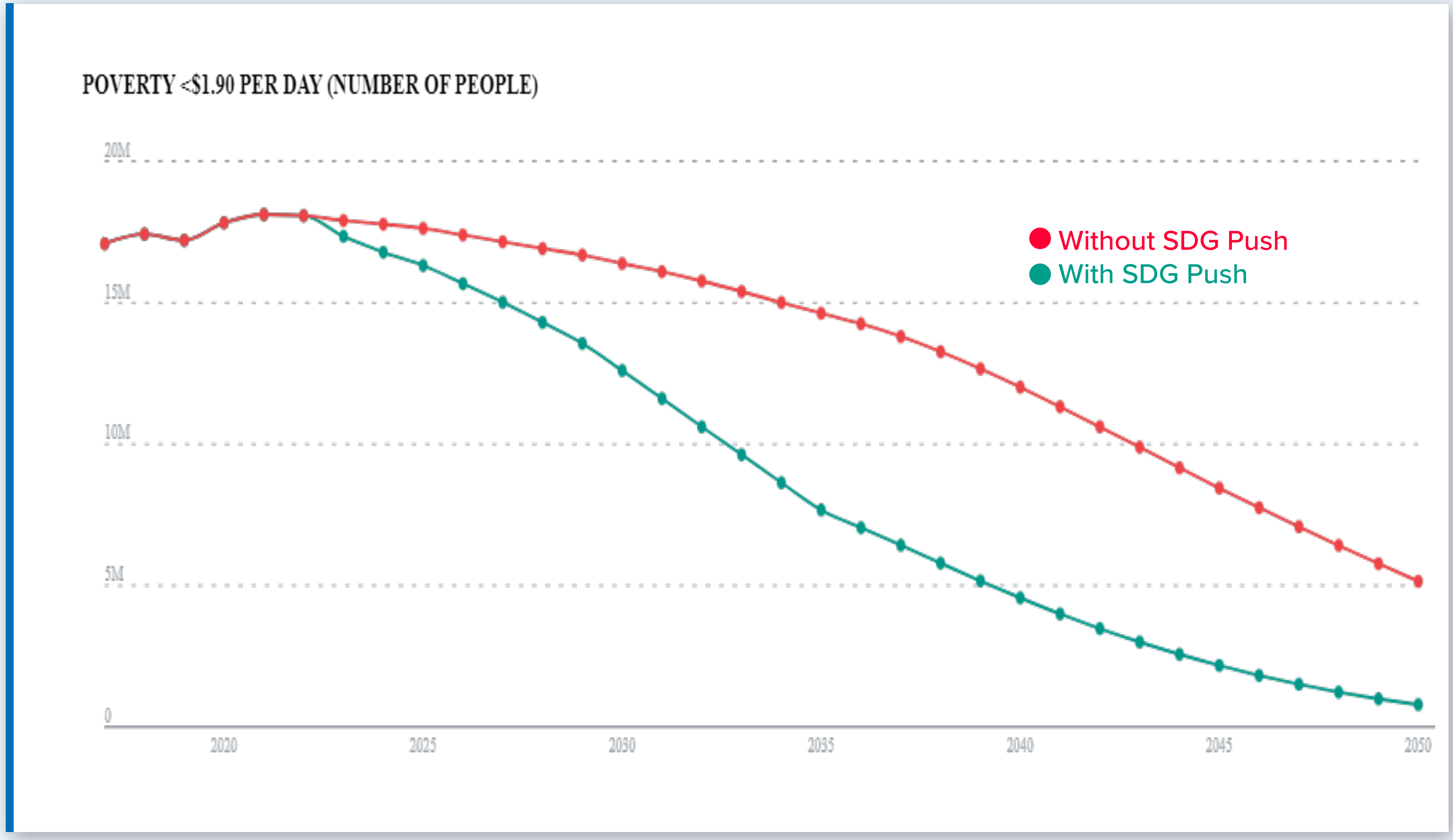
FUTURES SCENARIOS

Achieving the SDGs is possible.

The 'SDG Push' is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating 'SDG Push' accelerators into development interventions in Uganda can reduce the number of people living in poverty (on less than $1.90 a day) over time.

	End of 2022	By 2030	By 2050
Without the SDG push	18 mn	16 mn	5.2 mn
With the SDG push	18 mn	13 mn	790,000



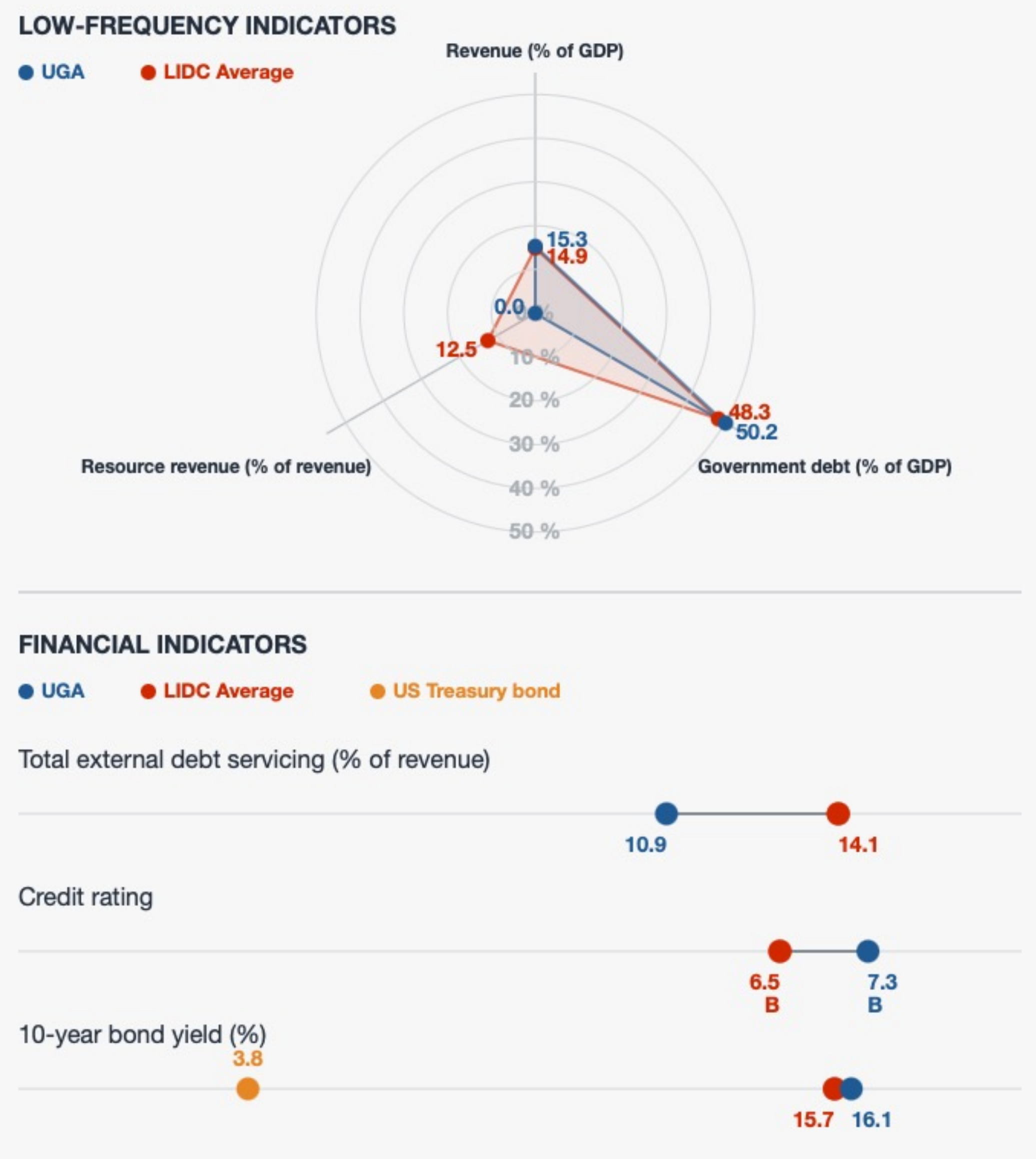
FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's sovereign credit rating and 10-year bond yield.

Uganda's gross government debt, projected at 50.2% of GDP in 2023, is slightly above the low-income developing countries (LIDC) average of 48.3%. The country is projected to collect 15.3% of GDP in revenue this year, which is very close to the 14.9% of the LIDC group.

Uganda's public external debt servicing relative to revenue is projected to reach 10.9% this year, which is 3.2 percentage points (pp) below the average LIDC with 14.1%. The country's credit rating – as is the LIDC average – is in the 'highly speculative' category. The weak rating is also reflected in the country's 10-year bond yield which is trading at 16.1% – close to the LIDC average of 15.7% – and 12.3 pp above a 10-Year US Treasury bond.



Notes: External debt covers public and publicly guaranteed debt. The LIDC average of resource revenue (% of revenue) only includes the 38 countries that reported data for that indicator, that for 10-year bond yield (%) includes five LIDC enonomies. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: UNU-WIDER GRD (resource revenue, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), worldgovernmentbonds.com and Haver Analytics (yields as of 8 June 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

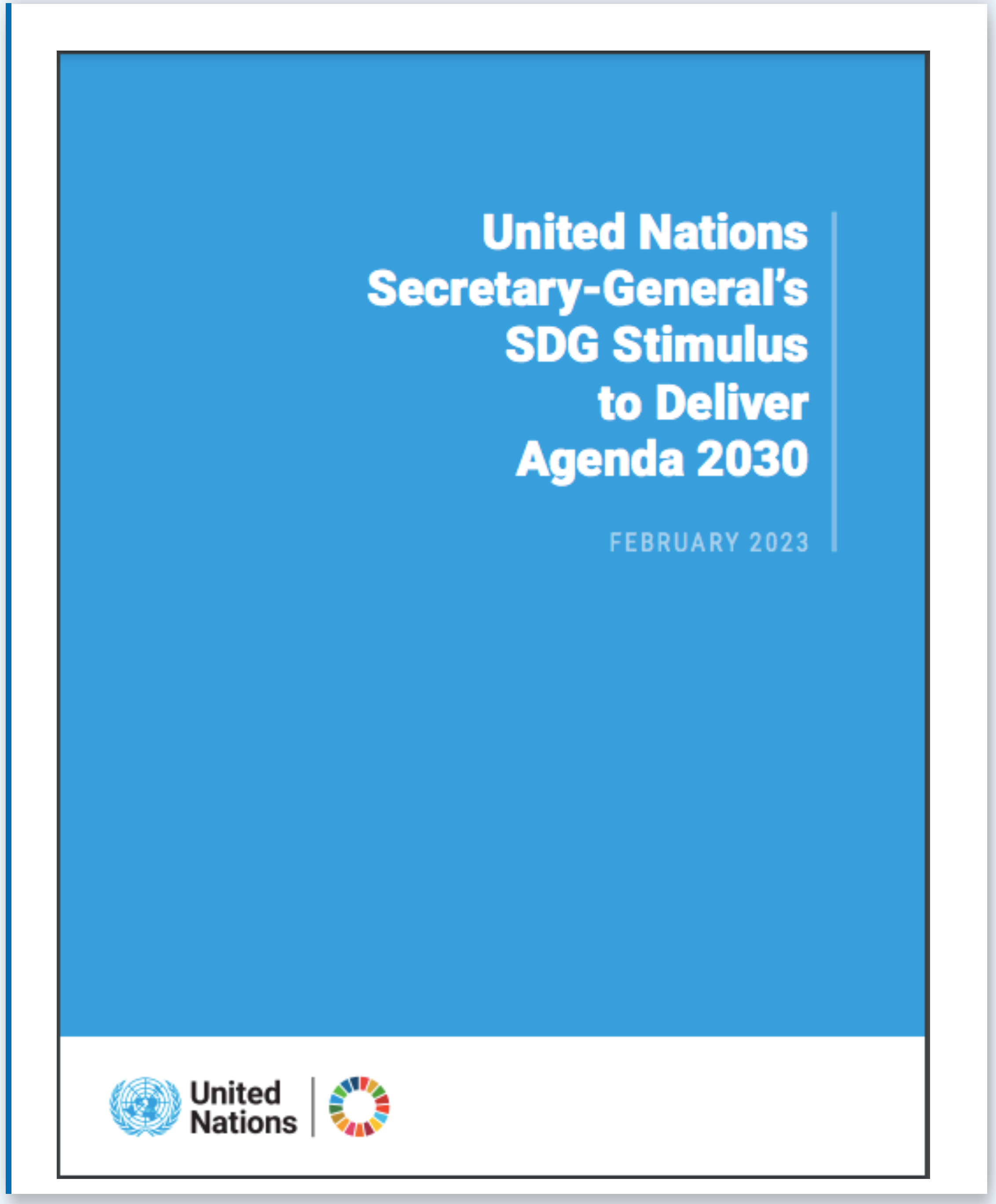
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Uganda, possible financing options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing


United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023

United Nations

METHODOLOGY

Click here to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology
Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources
Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology
SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source
Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.

INTERLINKAGES

Methodology
Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source
The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)

FINANCE & STIMULUS

Methodology
Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source
Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).