

Govt to strengthen UDB to expand supply of patient capital

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Government will continue to avail long-term financing for capital development by maintaining a fiscal policy focus on capitalising Uganda Development Bank (UDB) in the short and medium term.

The move seeks to address long-standing financing gaps for large, capital-intensive projects and ensure a steady supply of patient capital to support the structural transformation agenda under

the Fourth National Development Plan and Vision 2040. Prime Minister Robinah Nabbanja reaffirmed government's commitment to strengthening UDB's capital base while officiating at a ceremony where UDB staff graduated from a refresher programme in patriotic and transformative leadership at the National Leadership Institute in Kyankwanzi.

"As you are aware, government allocated an additional Shs1 trillion to UDB in the current financial year. We recognise the need to further expand the Bank's loan portfolio and are committed to strengthening its capital base to enable it fully deliver on its mandate," she said,

noting that through institutions such as UDB, government intends to build a strong class of Ugandan entrepreneurs capable of driving sustainable socio-economic transformation.

Development banks, she noted, play a critical role in providing long-term financing to priority sectors and often contribute to policy formulation through their technical expertise, making them indispensable to national development efforts.

UDB's sector priorities focus on primary agriculture; industry, covering agro-industrialisation, manufacturing, knowledge-based industries and extractives;

services such as health, tourism and hospitality, education, science, technology and innovation; as well as infrastructure.

The bank's expanding balance sheet has translated into measurable social and economic outcomes, creating 55,553 jobs in 2024, a 7.2 percent increase from 51,841 jobs in 2023.

Youth accounted for 59.9 percent of all jobs created, equivalent to 33,276 positions, and held 51 percent ownership in businesses financed by the Bank, up from 33 percent in the previous year.

Women represented 31.3 percent and held 41 percent ownership, compared to 39 percent in 2023. Women also account-

ed for 39 percent of senior management positions and 42 percent of board seats within these enterprises. During the year, UDB approved Shs455.2b in new loans to more than 170 enterprises across 67 districts nationwide.

Ms Nabbanja acknowledged the Bank's contribution to job creation, tax revenue, foreign exchange earnings and improved enterprise profitability.

UDB Managing Director Patricia Ojangu said: "UDB is committed to providing the right financial products to support the private sector to grow and remain resilient amid volatile and unstable global dynamics."