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EU provides Uganda with € 126 million to tackle poverty and improve the road sector

The European Commission today approved € 126 million for Uganda's Annual Action Programme under the 10th European Development Fund (EDF) for actions related to the improvement of road infrastructure and support to government economic reforms. Part of the funds will be provided as general budget support.

"The overall objective of the 2009 Annual Action Programme is to assist the implementation of Uganda's poverty eradication strategy as well as to support the country in meeting the Millennium Development Goals," stated Vincent de Visscher, Head of the European Commission Delegation to Uganda.

The ongoing Poverty Alleviation Global Budget Support Programme aims at consolidating the progress achieved in the field of macro-economic stability, public expenditure and finance management. The now approved project Support to Government Economic Reforms (€ 4 million) is the capacity building component of the ongoing programme. The project helps to identify the issues impeding the impact of public spending on poverty reduction and service delivery in Uganda and to mitigate adverse effects through improved Public Finance Management systems, informed policy dialogue and evidence-based decision making. The component will also contribute to the overall aim of the Joint Budget Support Framework, which is to improve the impact of public spending on the lives of poor people, while maintaining macroeconomic stability and supporting economic growth.

The road infrastructure project Northern Corridor Road Improvement Project: Mbarara–Ntungamo-Katuna (€ 122 million) intends to promote economic and social development and to facilitate international and transit-trade thereby promoting regional integration. The project comprises the rehabilitation of the Mbarara-Katuna section of the Northern Corridor route and will contribute to develop a safe and sustainable national road network, reduce transport costs and improve road safety. The Northern Corridor is the main transport corridor linking the Great Lakes countries (Burundi, DRC, Rwanda and Uganda) and Southern Sudan to the Kenyan sea port of Mombasa, therefore carrying significant volumes of transit traffic. The Northern Corridor section in Uganda also caters for significant domestic freight and passenger traffic.

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