

**STATEMENT BY
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IDB ACTING GOVERNOR FOR THE REPUBLIC OF UGANDA**

(Original : English)

**Mr. Chairman
Fellow Governors
The President of the IDB Group
Distinguished guests
Ladies and Gentlemen.**

Asaalaam Alayikum Warahamatullahi Wabarakatuhu,

Allow me firstly to extend my most sincere thanks and appreciation to the people and Government of the Republic of Indonesia for the warm hospitality bestowed on us and for the outstanding arrangements for this meeting. It is also my pleasure on behalf of the Government of the Republic of Uganda to address this assembly. I would also like to join the previous speeches in expressing my delegations gratitude to the authorities to the Board of Directors, Management and the President of the IDB for the efficient arrangements that have been put in place for this annual meeting, as well as the hospitality and welcome that has been accorded to us.

Like other speakers I would like on behalf of Uganda to extend special thanks Dr. Mohamed Ali for the stewardship of our institution over the 40 years and we wish him the best in his retirement while taking confidence in the incoming leadership of Dr. Bandar Bin Mohamad Bin Hamza Asaad Hajjar as the new President of the Bank. I want to assure him of Uganda's full support to the principles for which the IDB was established and our full backing to him.

Mr. Chairman, I want to put on record Uganda's appreciation to the IsDB Group for the achievements highlighted in the 2015 Annual Report. During this time a number of developments have shaped the global outlook including declining oil prices, increased global growth rate, market growth divergences across major economies and rise in interest rates and risk spreads in many emerging markets plus challenges of inclusive growth. Also of special note is the spread of diseases like Ebola and Zika and emerging climate risk, and conflict across many regions which have all caused shock in our economies and many others. It is very commendable that, the Bank Group under the dedicated and foresighted leadership of Dr. Mohammed Ali has been able to oversee the economies of its member countries and provide guidance to them. All this, while keeping the Banks triple A rating from Fitch, Moody's and Standard and Poors.

We note that, IDB cumulative development assistance to member countries from 1974 to 2014 has reached US\$ 101.7 billion. Net Approvals in 2015 reached US \$ 12.1 billion an increase of 13% from 2014 to support member countries reduce the impact of the factors mentioned in the Annual Report. I however note that despite this huge commitment of the Bank Group, disbursement level is reported at US\$ 6.9 billion in 2015. At individual Country level and for Uganda in particular disbursements today stands at less than 9% of the total IDB Portfolio of US\$ 720.87 million. We have been engaged with the Bank and have agreed on certain benchmarks to improve portfolio performance while ensuring quality and fiduciary measures.

Support to Uganda from the IDB comes within the framework of the Membership Country Partnership Strategy (MCPS)(2011 – 2015). We note that the support has increased with most of the financing coming from the Islamic Development Bank and the Islamic Solidarity Fund for Development (ISFD). Out of the total planned US\$ 300 million under MCPS approvals have increased to US\$ 357 million over the period. The Mid-term Review of the MCPS identified challenges and constraints to implementation, which included but not limited to the need to increase IDB involvement in supervision activities to enhance absorption and attainment of results on the ground in order to contribute to our GDP growth rate currently standing at 5.3%.

The Bank Group and Government agreed to work towards addressing the challenges during the remaining period of the MCPS and the current NDP. While we move forward along these lines, we once again would like to call upon the IDB Group to continue exploring the market and mobilizing concessional resources for the benefit of most of its Least Developed Member countries. This should go in tandem with consideration of increasing the financing levels from which the public sector in the LDMCs' can benefit by improvement in the Bank's financing terms through suitably tailored tools.

We do want to urge the Bank to explore ways and means to provide support to our private sector. The private sector in Uganda is very young and is going through a period of real difficulty. Among the constraints facing it, is lack of lines of financing and the difficulty in raising Bank Guarantees. I want to urge the private sector windows of the Bank Group to give special attention to the private sector in Uganda, so that they work out a financing model and instrument from which they can benefit.

Mr. Chairman, we would like to re-echo the need for IDB to finalize the establishment of a Country office in Uganda to strengthen the IDB's field presence in Uganda in order which will in-turn increase and strengthen its involvement of the running of its portfolio in Uganda. We have discussed this matter with you Mr. President and its still our view that given the growing portfolio in Uganda it cannot be effectively managed by remote control and this our leverage position in the region - Country Department 4 (CD4) makes Uganda better placed to host the office. This would no doubt facilitate dialogue both with Government and other Development Partners in the Country.

I cannot conclude without reiterating the sincere gratitude of my Government to the IDB Group for its significant contribution to the funding of Uganda's Development Plan and more generally to the socio-economic development of Uganda.

I thank you for kind attention.

Assalaam Alaykum.