



## PARLIAMENT OF UGANDA

### **MOTION FOR A RESOLUTION OF PARLIAMENT AUTHORISING GOVERNMENT TO BORROW UP TO EUR 168,976,354 FROM THE UK EXPORT FINANCE (UKEF) AND CITI BANK FOR THE DEVELOPMENT OF SOLAR POWERED IRRIGATION SYSTEMS PROJECT PHASE II**

*(Moved under Rule 58 of the Rules of Procedure)*

**WHEREAS** Article 159 of the Constitution, empowers Government to borrow from any source, as authorized by or under an Act of Parliament;

**AND WHEREAS** section 34 of the Public Finance Management Act, Cap. 171, vests the authority to raise money by loan for and on behalf of Government solely in the Minister responsible for Finance, with the approval of Parliament by resolution;

**AWARE THAT** the Government's request to borrow up to EUR 168,976,354 from the UK Export Finance (UKEF) and Citi Bank for the Development of Solar Powered Irrigation Systems Project Phase II has been laid before this Parliament;

**NOW THEREFORE**, be it resolved that Parliament authorises Government to borrow up to EUR 168,976,354 from the UK Export Finance (UKEF) and Citi Bank for the Development of Solar Powered Irrigation System Project Phase II.

**MOVER:**

Minister of Finance Planning and Economic Development

**P.O. BOX 8147**

**KAMPALA.**

**JUNE, 2026**



**THE REPUBLIC OF UGANDA**

**BRIEF TO PARLIAMENT**

**THE PROPOSAL TO BORROW UP TO EUR 168,976,354 FROM THE UK EXPORT FINANCE (UKEF) AND CITI BANK FOR THE DEVELOPMENT OF SOLAR POWERED IRRIGATION SYSTEMS PROJECT PHASE II**

**1.0 INTRODUCTION**

**1.1** Hon. Members, this Brief is about the proposal to borrow up to EUR 168,976,354 from UKEF and Citi Bank for the Development of Solar Powered Irrigation System Project Phase II.

**2.0 BACKGROUND**

**2.1** Hon. Members, the proposed project will develop 427 irrigation systems across the country aimed at enhancing rural incomes through increased production and productivity arising from irrigated agriculture for coffee growing.

**2.2** H.E the President of the Republic of Uganda cleared this project for implementation in his letter dated 15<sup>th</sup> December 2021 under reference number PO/10 addressed to the Hon. Minister of Finance, Planning and Economic Development and the Hon. Ministry of Water and Environment. A copy is attached as Annex 1.

**2.3** To date, Phase 1 of the project has achieved over 99% physical completion with 434 systems developed across the country delivering verifiable economic benefits countrywide including the following; 148 Rural Water Supply Systems benefiting 98,521 households and 433,492 individuals; 83 Urban Water Supply Systems serving 107,390 households and 472,519 people; and 203 Irrigation Systems irrigating 2,000 acres while supporting 554 households

and 2,436 residents. Collectively, these initiatives have enhanced water security and productivity for 206,465 households and a total population of 908,447 across Uganda.

- 2.4** Hon. Members, it is important to note that Phase II of the project had been envisaged to cover additional 700 sites. However, to preserve the vital fiscal space for other key projects that Government is implementing, the project was rescope to fit within these fiscal parameters optimising 427 systems.

### **3.0 OBJECTIVE OF THE BRIEF TO PARLIAMENT**

The objective of this Brief is to request Parliament to:

- (i) Note the required financing of up to EUR 168,976,354 from UKEF and Citi Bank for the implementation of the Development of Solar Powered Irrigation Systems Project Phase II; and
- (ii) Authorize the Minister of Finance, Planning and Economic Development to proceed to borrow up to EUR 168,976,354 from UKEF and Citi Bank for the implementation of the Development of Solar Powered Irrigation Systems Project Phase II.

### **4.0 JUSTIFICATION, STRATEGIC ALIGNMENT AND FINANCING TERMS**

#### **4.1 Problem Statement**

4.1.1 Hon. Members, as the effects of climate change continue to escalate, the available water resources for agricultural production are constantly decreasing. Currently, farmers are losing a lot of crops due to prolonged dry seasons and this in turn affects their livelihoods.

4.1.2 The National State of Environment Report (NEMA, 2014) indicated that on

average 800,000 Ha of crops per year are destroyed by climate related events. The drought that occurred in 2000 resulted in damage to crops estimated at US\$ 47 million, which is approximately 3% of the value of all cash and food crops. While between 2010 and 2013, damages and losses in the agriculture sector caused by the 2010 - 2011 rainfall deficit were estimated at US\$ 907 million and included crop production losses, animal deaths, livestock production losses and higher production costs. Irrigation is therefore one of the responses to the adverse effects of climate change in the agricultural sector and if no action is taken, the cost implications will remain high. For example, between 2010 and 2050, damages are projected at US\$ 140 - 260 billion arising from failure to apply irrigation (MWE, 2015).

- 4.1.3 The need for irrigation across the country is therefore very crucial. Securing availability of water for agriculture will guarantee food security and the livelihood of the farmers, including the most vulnerable groups, and addresses the need of the very poor in society. Well-developed irrigation infrastructure and good water management, can increase yields by 2-5 times for most crops.

## **4.2 Project Justification**

- 4.2.1 Uganda's agricultural performance has been constrained by frequent occurrences of severe drought and flooding particularly over the last 20 years. In 2010, drought accounted for 38% loss in beans harvest and 36% loss in maize harvests thereby, contributing to food insecurity and poverty. I wish to inform Hon. Members that a study by the Office of the Prime Minister (OPM) estimated a loss and damage of UGX 2.8 trillion (US\$ 1.2 billion) to the Ugandan economy, equivalent to 7.5 percent of the country's GDP in 2010 due to erratic rains. According to the Status of Environment Report 2014, on average 800,000 ha of crops are destroyed every year by climate-related events.

4.2.2 Coffee has been identified as the priority commodity due to its strategic importance to Uganda's economy and rural livelihoods. Uganda is currently the second-largest coffee producer in Africa after Ethiopia and the leading coffee exporter on the continent. Coffee remains the country's leading source of foreign exchange earnings, generating approximately US\$ 999.8 million from the export of 6.06 million 60-kg bags between March 2023 and February 2024. In addition, approximately 1.8 million Ugandans directly depend on coffee as their primary source of livelihood, with the sector dominated by smallholder farmers operating on less than one hectare of land. However, coffee productivity remains highly vulnerable to rainfall variability, prolonged dry spells, and increasing climate change impacts, particularly during critical crop growth stages such as flowering and cherry development.

4.2.3 Hon. Members, despite Uganda's substantial agricultural and water resource potential, irrigation development in the country remains very low relative to the estimated national potential. Uganda's irrigation potential is estimated at approximately 3.03 million hectares; however, only about 23,595 hectares (0.78%), representing less than 1% of the total potential, are currently under irrigation. Consequently, agricultural production remains predominantly dependent on rainfall, exposing farmers to seasonal rainfall variability and climate-related production risks. Limited access to irrigation infrastructure has therefore continued to constrain agricultural productivity, commercialization, and the ability of farmers to undertake year-round production.

4.2.4 Solar powered pumping has demonstrated up to 70% savings in energy costs when compared to previously diesel-powered pumping systems and therefore has been prioritized for this project. Records from towns implemented under

the Energy for Rural Transformation (ERT) with funding from the World Bank as well as the Water Supply and Sanitation Program (WSSP) with funding from the African Development Fund currently utilizing solar water pumping, indicate that the systems are providing safe water at very low tariffs of 1-1.5 Uganda shillings per litre. This is because of very low operation and maintenance (O&M) costs requirements. In addition, the adoption of solar-powered pumping systems contributes to the reduction of greenhouse gas emissions and supports national and global efforts towards climate change mitigation through the transition to cleaner and renewable energy technologies.

### **4.3 Project Objectives**

- 4.3.1 **Goal:** To contribute to increased yields of coffee production through provision of water for irrigation.
- 4.3.2 **Objective:** To establish solar powered irrigation systems across the country in support of coffee farmers
- 4.3.3 **Project Outcome:** Increased access to water for irrigation as well as improved coffee production and productivity.

### **4.4 Project Description**

- 4.4.1 The project shall target the development of 427 irrigation systems to enhance coffee production in the project areas across the country. The total potential irrigable area to be developed is about 4,768 acres. Each system has an average of 11 acres with the potential to be expanded to 20 acres, and consists of a water abstraction system, transmission mains, solar pumping system, storage tanks and on-farm irrigation infrastructure. Each system shall serve progressive farmers / organised farmer groups benefiting an average of 6 households (27

people). *Annex 2* indicates the list of proposed sites per district across the country. Additionally, each system will ensure capacity building of beneficiary communities for operation and maintenance of the installed facilities.

4.4.2 The project will leverage and strengthen existing extension service infrastructure at sub-county, parish, and district levels in Uganda, working through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) extension programmes and Coffee Department. District and Sub-county agricultural officers will participate in farmer identification, mobilisation, and ongoing agronomic support, ensuring that technical guidance on irrigation and coffee production is contextually relevant and delivered by trusted local actors who possess deep knowledge of smallholder realities. By formally integrating government extension personnel into the project structure rather than relying on parallel or temporary systems, the intervention builds institutional ownership, creates an accountable pathway for knowledge transfer, and addresses Phase I lessons.

## **4.5 Project Benefits**

4.5.1 The project is expected to directly benefit about 2,562 households, translating to approximately 11,785 direct beneficiaries. A key focus of the intervention is the improvement of coffee production, where yields per tree are projected to increase from the current average of 1.3 kg of kiboko (dried cherries) to approximately 6.5 kg under irrigation. This improvement is anticipated to result in an annual coffee yield of about 8,893 tonnes (dried cherries), thereby contributing significantly to increased agricultural output, rural livelihoods, and economic growth. At the project level, the intervention is projected to generate approximately UGX 66.7 billion in average annual revenue for the

beneficiaries. The project is also expected to produce approximately 5,336 tonnes of Fair Average Quality (FAQ) coffee, equivalent to about 88,939 bags (60kg bags) annually.

4.5.2 At the household level, the intervention is expected to significantly improve incomes and livelihoods with the average one expected to realize an annual revenue of about UGX 26 million. In terms of productivity, the average household is expected to produce approximately 2.1 tonnes of FAQ coffee annually, equivalent to about 35 bags of FAQ coffee per year.

4.5.3 Site readiness and rigorous selection are foundational for Phase II, drawing on practical lessons from Phase I. Prior to any works, beneficiaries are required to sign formal land consent agreements following extensive stakeholder engagement with communities, local government authorities, and leadership structures to secure social licence, prevent future disputes, and foster long-term ownership. Water for Production regional teams conduct thorough field verification of all proposed sites to confirm they fully satisfy the project's established site selection criteria before inclusion in the project scope. Over 627 potential beneficiaries have already been profiled based on rigorous criteria, in partnership with the Department of Coffee (formerly UCDA), District Local Governments, Operation Wealth Creation (OWC) and Individual applications, and continuous assessments are ongoing.

**4.6 Selection of Sites for irrigation:** The selection criteria considerations include:

- a. There should be access to a potential source of water within 500m of the beneficiary.
- b. The irrigable land area to be served will range from 10 to 20 acres.
- c. The farmer should have a coffee plantation that is at least one year old.
- d. The site can be individual or communal (with consideration for commercial coffee villages for big systems).
- e. The farmer should possess proof of land ownership or land user rights.
- f. There should be no incumbrances along the outline of the proposed scheme infrastructure, i.e. within the distance from the water source to the command area.
- g. The land management of the field should be adequate, showing evidence of good agronomic practices and sanitation.
- h. The farmer should not have benefited from the project's phase 1 interventions and should not be under the planned development of the Arab Bank for Economic Development in Africa Project (BADEA), UGIFT, and the Uganda Climate Smart Agricultural Transformation Project.
- i. The route to the farm should be accessible to facilitate construction activities.
- j. Equity Considerations in line with the Ministry Policy of '*Some for all and NOT all for some*'.
- k. Youth, women and organised coffee farmer groups will be given special attention.

#### 4.7 Project Components

No.	Components	Quantity	Unit Rate (Euros)	Total Cost (Euros)
1	Consultancy Services for Design Review, Construction Supervision and Complementary Support Service Provisions for Solar Powered Irrigation Systems.	427	13,678.81	5,840,850
2	Design, Supply and Installation of Solar Powered Irrigation Systems Across the Country- Phase II	427	337,229.16	143,996,850
	<b>Total (EUR)</b>	427	350,907.96	<b>149,837,700</b>

#### 4.8 Terms and Conditions of the Loan

- 4.8.1 The financing for the Development of Solar Powered Irrigation Systems Project Phase II will be primarily through a loan covered by the United Kingdom Export Finance (UKEF) worth EUR 148,509,420 (inclusive of Insurance premium of EUR 18,979,504 equivalent to 12.78% of the loan) and a commercial facility of EUR 20,466,934 from Citi Bank.
- 4.8.2 It is important to note that Export Credit Agencies e.g. UKEF do not directly lend to sovereign countries like Uganda. They provide the export cover required and commercial agencies like Citi Bank arrange the financing as further explained below. The commercial banks charge fees for providing such services.

#### 4.8.3 **Export Credit Agency Facility (90% UKEF Cover)**

Facility Amount : EUR 148,509,420 (Insurance premium of EUR 18,979,504 inclusive)

Tenor : Up to 13 years

Grace Period : 3 Years

Interest Rate : 3.65% p.a fixed

Commitment fees : 0.2% p.a on undrawn amount

Facility Agency Fees : EUR 20,000 p.a

Upfront fees : 1.15% flat on the facility amount (EUR 1,707,858.33)

#### 4.8.4 **Commercial Terms Facility (Citi Bank)**

Loan Amount : EUR 20,466,934 [10% of the Commercial Contract Amount and Owner's Engineer]

Tenor : Up to 7 years

Grace Period : 2 years

Margin : 4.95 % p.a

Interest rate : 6 months Euribor (2.55%) + Margin (4.95%) = 7.5%

Commitment fees : 1.25% p.a on committed but undrawn amount

*Please note that Euribor is variable rate that keeps changing. As at 31<sup>st</sup> May 2026, 6 months Euribor was 2.55%.*

#### 4.8.5 **Project Readiness and Public Investment Management System (PIMS) Compliance**

The Feasibility Studies for the project have been undertaken. The project is a Design and Build which implies that the contractor (Nexus Green Limited) will

do the final studies, designs and construction. The comprehensive economic analysis updated in April 2026, confirmed the project’s feasibility yielding an Economic Internal Rate of Return (EIRR) of 14.02% and Economic Net Present Value (ENPV) of EUR 29.83 Million. To ensure adherence to the PIMS policy, the MWE has secured an Owner’s Engineer (SGAPI Consulting Engineers Limited) to exercise strict technical oversight over the contractor during the design and construction.

#### 4.9 The Loan and the Current Debt Situation of the Country

As at end December 2025, Uganda’s total debt stock amounted to USD 34.86 which is equivalent to 52.7% of GDP.

4.9.1 **Table 2: Total Public Debt Stock (USD Billion)**

	<b>June-24</b>	<b>June-25</b>	<b>Dec-25</b>
External Debt Stock (USD Billion)	14.63	15.46	15.84
Domestic Debt Stock (USD Billion)	10.96	16.79	19.02
<b>Total Debt Stock (USD Billion)</b>	<b>25.59</b>	<b>32.24</b>	<b>34.86</b>
External Debt to GDP	26.62%	24.39%	24.0%
Domestic Debt to GDP	19.94%	26.49%	28.8%
GDP (UGX Billion)	203,708	227,875	239,767
<b>Debt to GDP</b>	<b>46.56%</b>	<b>50.86%</b>	<b>52.7%</b>
End of Period Exchange Rate	3,706.7	3,594.6	3,624.7

*Source: MoFPED*

4.9.2 In line with the Debt Sustainability Analysis Report of December 2025 which reports debt statistics on a Financial Year basis (June 2025), Uganda’s debt

remains within sustainable limits, with the total stock at USD 32.24 billion (approximately Shs 116 trillion) for FY 2024/25. This comprises USD 15.46 billion (Shs 55.6 trillion) in external debt and USD 16.79 billion (Shs 60.35 trillion) in domestic debt. Public Debt as a share of GDP is estimated at 50.86% aligning with the targets set in the Charter for Fiscal Responsibility.

4.9.3 This project is already included in our Debt Sustainability Analysis and in the Fiscal Framework for the Budget for FY 2026/27 and the medium-term fiscal framework. Consequently, this borrowing will not breach Uganda's long term debt sustainability thresholds.

4.9.4 **Measures to manage Public Debt:** To manage and reduce our debt levels, the Government has adopted fiscal consolidation measures that include increased revenue mobilization particularly through the implementation of the Domestic Revenue Mobilisation Strategy (DRMS), as well as controlling and reducing Government borrowing, expenditure and prioritizing interventions in the growth-driving sectors. In addition, the Government is implementing the Public Investment Management System (PIMS) Policy and Strategy, which aims at streamlining the preparation, appraisal, approval and management of all Government Projects and ensuring that these Projects are ready before being presented to Parliament.

**4.10 Other Conditions attached to the Loan:** The loan financing has the following conditions;

- (i) a certified copy of the resolution from the Parliament of Uganda approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party;
- (ii) a specimen of the signature of each person confirmed as being authorised to execute the Finance Documents and such other documents and notices to be signed or dispatched by the Borrower in relation to the Finance Documents in the legal opinion referred to in paragraph 6(c) below;
- (iii) a letter from the Minister of Finance, Planning and Economic Development of Uganda confirming that the Borrower borrowing the Total Commitments would not cause any borrowing or similar limit binding on it to be exceeded or breached;
- (iv) a letter from the Minister of Finance, Planning and Economic Development of Uganda confirming that the Borrower (i) has capacity and is authorised to make or direct payments to be made under the Facility Agreement, in the Facility Currency in England and (ii) that no additional exchange control approvals are required;
- (v) a letter from the Minister of Finance, Planning and Economic Development of Uganda confirming that all relevant Authorisations required in connection with, or with respect to, the Facility and the Borrower; have been obtained and are in full force and effect [as at the date of the certificate];
- (vi) a letter from the Minister of Finance, Planning and Economic Development of Uganda certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement; and
- (vii) a letter from the Minister of Finance, Planning and Economic Development of Uganda confirming that the Accountant General has the

capacity and authority to sign any Utilisation Request and including a specimen of each person of the office of the Accountant General authorised to sign any Utilisation Request to be delivered by the Borrower pursuant to the Finance Documents.

- (viii) evidence that all relevant Authorisations required in connection with, or with respect to, the Commercial Contract [and the Project] have been obtained and are in full force and effect;
- (ix) evidence that the signatory who signed the Commercial Contract on behalf of the Buyer was duly authorised to sign it;
- (x) the name of a specified person or persons who are duly authorised on its behalf to sign and/or despatch documents related to this Agreement including any Exporter Payment Request together with evidence of their authority; and
- (xi) a specimen signature of each person authorised in the manner described in paragraph (ii) above.

**4.11 Completed Irrigation Schemes under Phase I:** The Ministry of Water and Environment is currently implementing both small scale and medium scale irrigation schemes countrywide as given in the tables below.

**Table 2. Completed Irrigation Schemes**

Category	Sites & Acreage
Medium Scale Irrigation Schemes	Doho I (915 ha), and Doho II (1000 ha) in Butaleja, Mubuku I (516 ha), Mubuku II (480ha), in Kasese, Agoro (650 ha) in Lamwo, Olweny (600ha) in Lira, Rwengaju Model

	(116ha) in Kabarole, Tochi (500ha) in Oyam, and Ngenge (880 ha) in Kween.
Small Scale Irrigation Schemes	504 schemes completed across most districts in Uganda.

**Table 3. Ongoing Irrigation Schemes**

Category	Sites & Acreage
Large Scale Irrigation Schemes	Wadelai (1000 ha) in Nebbi district, Kabuyanda irrigation scheme (3,300 ha) in Isingiro District, Matanda irrigation scheme (2,500 ha) in Kanungu district, Sipi irrigation scheme (400 ha) in Bulambuli district, Unyama irrigation scheme (2,200 ha) in Gulu/Amuru districts and Namalu irrigation scheme (1,500) in Nakapiripirit district.
Small Scale Irrigation Schemes	3 schemes under construction from Phase I of the project.

**4.12** Furthermore, the Ministry has come up with several viable irrigation projects for implementation. These include the following among others:

- a. Feasibility studies and detailed design for Kagera Multipurpose Water Infrastructure Development for Climate Resilience in Isingiro and Rwampara District.
- b. Feasibility studies and design of Bulk Water Systems and Irrigation Schemes of Lumbuye in Luuka; Kaliro, Lopei in Napak; Angololo in Tororo; Nabigaga in Kamuli; Rwimi in Kasese/Bunyangabo; Purongo in Amuru; Palyek in Nwoya; Kibimba in Gomba, and Amuru.

- c. Feasibility Studies for Mega irrigation schemes around Mt. Elgon area, Mt. Rwenzori area Agoro Hills and Southwestern Highlands undertaken.
- d. Bulk Water System for Nakasongola District.
- e. Feasibility Studies for Fourteen (14) Multi-purpose storage dams in Karamoja Sub-region; multipurpose storage facilities of Geregere Earth Dam and Water facilities in Agago District and Ojama in Serere District; and Water facilities in Mbarara District, Kyahi and Makokwa Earth Dams and facilities in Gomba District. These large dams are a source of water for multipurpose use including irrigation.
- f. Feasibility study of Bulk water systems and irrigation schemes namely Enengo in Kanungu and Rukungiri District and Amagoro in Tororo District; Nyimur irrigation scheme in Lamwo district. These studies are being funded by the World Bank.
- g. Additional 96 small-scale irrigation schemes of 10 acres each, (960 acres total irrigation area) in 55 districts across the country to be funded by the Arab Bank for Economic Development in Africa (BADEA) loan.

## **5.0 CONCLUSION**

**5.1** In light of the above, I request Parliament to:

- a) Note the need to borrow up to EUR 168,976,354 from UKEF and Citi Bank for the Development of Solar Powered Irrigation Systems Project Phase II;

- b) Note the financing terms for the loan facilities of up to **EUR 168,976,354** from UKEF and Citi Bank for the Development of Solar Powered Irrigation Systems Project Phase II; and
- c) Authorise the Minister responsible for finance to borrow up to **EUR 168,976,354** from UKEF and Citi Bank for the Development of Solar Powered Irrigation Systems Project Phase II.

**Prepared by:**

**MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT  
P.O. BOX 8147  
KAMPALA.  
JUNE, 2026**

## ANNEX 1

TEL: 231900  
FAX: 235462  
EMAIL: shc@statehouse.go.ug

IN ANY CORRESPONDENCE ON THIS SUBJECT PLEASE QUOTE NO. **PO/10**



THE REPUBLIC OF UGANDA

State House,  
P. O. Box 25497,  
Kampala,  
Uganda.

15<sup>th</sup> December, 2021

Hon. Matia Kasaija  
Minister  
Ministry of Finance, Planning and  
Economic Development  
**KAMPALA**

Hon. Sam Cheptoris  
Minister  
Ministry of Water and Environment  
**KAMPALA**

**RE: ADDITIONAL FUNDING FOR SOLAR POWERED WATER  
SUPPLY AND IRRIGATION SYSTEMS AND DEVELOPMENT  
OF LOPEI MULTI-PURPOSE WATER DEVELOPMENT  
PROJECT IN NAPAK DISTRICT**

Reference is made to my letter dated 26<sup>th</sup> October, 2018, where I directed your ministries to work with Nexus Green Limited to secure funding from UK Export Finance (UK EF) to purchase 3000 solar powered irrigation pumps from this company to enable it set up a factory in Uganda.

I recently met the directors of Nexus Green Limited who briefed me on the progress of the project, particularly the on-going implementation of the first phase, which when completed will cover 687 sites hence, increasing agricultural production. The group also informed me that construction of the solar assembly plant in Kapeeka had started and is expected to be completed by the end of 2022.

They, therefore, request for Government approval for additional funding from UK EF to move to the 2<sup>nd</sup> phase which will cover an additional 700 sites, with the solar panels for this phase being supplied from the established solar plant in Kapeeka.

The group also expressed interest in undertaking the development of a Multi-purpose Water Development Project at Lopei in Napak District aimed at providing reliable and sustainable water for irrigation, livestock, aquaculture and rural industry to reduce the effects of water stress during the drought periods.

As you are aware, these are priority projects that are critical for enhancing crop irrigation, improved livestock productivity, aquaculture and subsequent improvement of livelihoods and incomes and, adaptation to climate change variability.

I, therefore, direct you to work with this company to secure funding from UK EF for the implementation of the 2<sup>nd</sup> phase of the supply of solar powered irrigation pumps to 700 sites and the development of the Multi-purpose Water Development Project at Lopei in Napak District.



Yoweri K. Museveni

**P R E S I D E N T**

**Copy to:** H.E. the Vice President  
Rt. Hon. Prime Minister  
Minister of Trade, Industry and Cooperatives  
Permanent Secretary, Minister of Finance, Planning and Economic  
Development  
Permanent Secretary, Ministry of Water and Environment

## ANNEX 2: LIST OF PROPOSED SCHEMES

No.	District	Sub-Region	Sites
1	Agago	Acholi	12
2	Amuru	Acholi	12
3	Gulu	Acholi	12
4	Kitgum	Acholi	12
5	Lamwo	Acholi	12
6	Nwoya	Acholi	12
7	Omoro	Acholi	12
8	Pader	Acholi	12
9	Buhweju	Ankole	3
10	Bushenyi	Ankole	3
11	Ibanda	Ankole	3
12	Isingiro	Ankole	3
13	Kazo	Ankole	3
14	Kiruhura	Ankole	3
15	Mbarara	Ankole	3
16	Mitooma	Ankole	3
17	Ntungamo	Ankole	3
18	Rubirizi	Ankole	3
19	Rwampara	Ankole	3
20	Sheema	Ankole	3
21	Buikwe	Buganda	2
22	Bukomansimbi	Buganda	2
23	Butambala	Buganda	2
24	Buvuma	Buganda	2
25	Gomba	Buganda	2
26	Kalangala	Buganda	2
27	Kalungu	Buganda	2
28	Kassanda	Buganda	2
29	Kayunga	Buganda	2
30	Kiboga	Buganda	2
31	Kyankwanzi	Buganda	3
32	Kyotera	Buganda	3
33	Luwero	Buganda	3

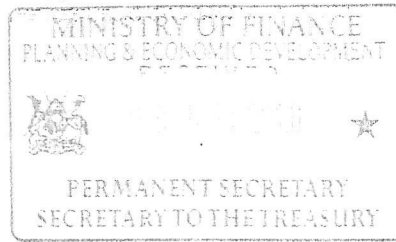
No.	District	Sub-Region	Sites
34	Lwengo	Buganda	3
35	Lyantonde	Buganda	3
36	Masaka	Buganda	3
37	Mityana	Buganda	3
38	Mpigi	Buganda	3
39	Mubende	Buganda	3
40	Mukono	Buganda	3
41	Nakaseke	Buganda	3
42	Nakasongola	Buganda	3
43	Rakai	Buganda	2
44	Ssembabule	Buganda	2
45	Wakiso	Buganda	2
46	Bududa	Bugisu	2
47	Bulambuli	Bugisu	3
48	Manafwa	Bugisu	3
49	Mbale	Bugisu	3
50	Namisindwa	Bugisu	3
51	Sironko	Bugisu	3
52	Budaka	Bukedi	3
53	Busia	Bukedi	3
54	Butaleja	Bukedi	3
55	Butebo	Bukedi	3
56	Kibuku	Bukedi	3
57	Pallisa	Bukedi	3
58	Tororo	Bukedi	3
59	Buliisa	Bunyoro	3
60	Hoima	Bunyoro	3
61	Kagadi	Bunyoro	3
62	Kakumiro	Bunyoro	3
63	Kibaale	Bunyoro	3
64	Kikuube	Bunyoro	3
65	Kiryandongo	Bunyoro	3
66	Masindi	Bunyoro	2

OFFICE OF THE  
SECRETARY TO THE TREASURY

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT  
PO/10



State House,  
P.O. Box 25497,  
Kampala,  
Uganda.



8<sup>th</sup> June, 2026

Mr. Ramathan Ggoobi  
Permanent Secretary/Secretary to the Treasury  
Ministry of Finance, Planning and  
Economic Development  
**KAMPALA**

### **CLEARANCE OF THE LOAN TO DEVELOP SOLAR POWERED IRRIGATION SYSTEMS PROJECT PHASE II**

I refer to your letter dated the 29<sup>th</sup> of May, 2026, seeking approval to borrow up to EUR 168,976,354 from Citi bank and United Kingdom Export Finance (UKEF) for Solar Powered Irrigation Systems Project Phase II, to be implemented by M/s Nexus Green Limited of the United Kingdom.

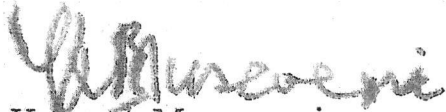
This is, a strategic intervention. We must invest more in irrigation to reduce dependence on seasonal rainfall and mitigate the effects of climate variability, particularly for high-value crops such as coffee.

Accordingly, I approve, on behalf of Cabinet, the proposed borrowing of up to EUR 168,976,354 on the terms and conditions submitted, comprising:

- (a) an Export Credit Agency (ECA) facility of up to EUR 148,509,420 supported by UKEF with a tenure of up to 13 years, including a grace period of 3 years and a fixed interest rate of 3.75 percent per annum;
- (b) a Commercial Facility of up to EUR 20,466,934 from Citibank, with a tenure of up to 7 years, including a grace period of 2 years, at an interest rate based on six-month Euribor plus a margin of 5.0 percent per annum.

I note that the blended financing carries a weighted average effective interest rate of 5.1 percent per annum. This is within an acceptable range for a project with strong economic returns and significant wealth-creation potential.

I, therefore, authorize the Ministry of Finance, Planning and Economic Development to proceed to Parliament for approval in accordance with the law.



Yoweri Kaguta Museveni

**PRESIDENT OF THE REPUBLIC OF UGANDA**