PARLIAMENT OF UGANDA

REPORT OF THE BUDGET COMMITTEE ON THE NATIONAL BUDGET FRAMEWORK PAPER FOR THE FY 2022/23 -FY 2026/27

JANUARY 2022

LIST OF ACRYNOMS

NBFP	National Budget Framework Paper
CFR	Charter of Fiscal responsibility
EOC	Equal Opportunities Commission
FY	Financial Years
GOU	Government of Uganda
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IMF	International Monitory Fund
MTEF	Medium term Expenditure Framework
MDA	Ministries Department and Agencies
MFPED	Ministry of Finance, Planning and Economic Development
NPA	National Planning Authority
NPV	Net Present Value
NTR	Non Tax Revenue
PBO	Parliamentary Budget Office
PBB	Programme Based Budgeting
PFMA	Public Finance and Management Act
SMEs	Small and Medium Enterprises
MSMEs	Micro, Small and Medium Enterprises

1.0 INTRODUCTION

Rt. Hon. Speaker, Hon. Members,

In accordance with the provisions of Articles 90 and 155 (4) of the Constitution, Section 9(1) to 9(8) of the Public Finance Management Act 2015 (as amended) and Rule 145 of the Rules of Procedure of Parliament, Committees are mandated to consider, discuss and review the Budget Framework Paper and through the Budget Committee present a report to the House for approval by 1st February of each year.

In compliance with above provisions, I beg to present a report of the Budget Committee on the National Budget Framework Paper for the Fiscal year 2022/23- 2026/27 for consideration and approval by the August House as required by section 9(8) of the PFMA 2015 and Rule 145(3).

This report structured in two parts:

Part A: Legal Compliance of the NBFP; Economic and Budget Performance Highlights FY2020/21; Economic and Fiscal Strategy for FY2022/23 and the Medium Term; Budget Priorities and Policies for FY2022/23

Part B: The Sectoral Committees' Observations and recommendations made thereon.

1.1 METHODOLOGY

The methodology adopted by the Committee involved examination of relevant documents and interactions with stakeholders.

Key Documents Examined:

- The National Budget Framework Paper For The FY2022/23 - FY 2026/27;
- The National Development Plan III (NDPIII), FY2020/21-FY2024/25;
- The Charter of Fiscal Responsibility for FY2022/23-FY2025/26;
- The Certificate of Gender & Equity Responsiveness of NBFP for The FY2022/23 - FY 2026/27;

- The Public Finance Management Act, 2015 and Regulations;
- The Annual Budget Performance Report for FY2020/21
- The Annual Macroeconomic & Fiscal Performance Report for FY2020/21
- Parliamentary Committee Reports;
- The *First Budget Call Circular (1st Bcc)* on Preparation of The *Budget* Framework Papers (BFPs) and Preliminary Budget for FY2022/23

Stakeholders Consulted:

- Ministry of Finance, Planning and Economic Development (MFPED)
- National Planning Authority (NPA)
- Economic Policy Research Centre (EPRC)
- Civil Society Budget Advocacy Group(CSBAG)
- Equal Opportunities Commission
- Office of the Leader of the Opposition

PART A:
MACRO ASPECTS OF THE NBFP

2.0 LEGAL COMPLIANCE OF THE NBFP

In accordance to Section 9 of the PFMA:

(i) The Minister shall for each financial year, prepare a Budget Framework Paper which shall be consistent with the National Development Plan and with the Charter for Fiscal Responsibility;

(ii) The Budget Framework Paper shall be in the format prescribed in Schedule 3 of the PFMA;

(iii) The Minister shall, with the approval of Cabinet, submit the Budget Framework Paper to Parliament by the 31st of December of the financial year preceding the financial year to which the Budget Framework Paper relates;

(iv) The Minister shall, in consultation with the Equal Opportunities Commission, issue a certificate - certifying that the budget framework paper is gender and equity responsive; and specifying measures taken to equalize opportunities for women, men, persons with disabilities and other marginalized groups;

2.1 Submission of the NBFP to Parliament

The National Budget Framework paper for FY2022/23-2026/27 was submitted to Parliament on the 21st of December 2021 and an Addendum to the NBFP accompanied with the Certificate of Gender and Equity Responsiveness was submitted to the Office of the Clerk to Parliament on the 31st of December 2021.

2.2 Compliance with Schedule 3 of the PFMA

An assessment by the Committee indicates that the NBFP's overall structural compliance level to Schedule 3 of the PFMA (2015) largely conforms to the requirements of Schedule 3 under the PFMA (2O15) Act as indicated in the Table 1.

However, the following information was not provided as required by the law:

i. Quantifiable estimation of the fiscal impact of fiscal risks. An estimation of the likely fiscal impact of risks if they materialize and an alternate fiscal framework;
ii. The floor of investments of Government in the financial year;

The Committee notes that the compliance of the BFP to Schedule 3 over the past has never been fully complied with.

The Committee recommends that Schedule 3 of the PFMA is fully complied with and a statement on compliance of this schedule is presented to Parliament whenever the NBFP is laid in Parliament.

Table 1: Compliance Assessment of NBFP to Schedule 3 of PFMA

Schedule 3, PFMA	Schedule 3 Requirements	NBFP Provisions
Schedule 3(1)	Medium term Macroeconomic forecasts: BFP should indicate the actual, estimated and projections covering the	The average and year end gross domestic. Year end GDP outturns and forecast provided
		The rate of inflation (average and year end): Year-end Inflation outturns and forecast provided

Schedule 3, PFMA	**Schedule 3 Requirements**	**NBFP Provisions**
	previous two FYs, the current FY and the next five FY.	The rate of employment and unemployment provided is 47% for formal employment (March 2021) & 9% (FY2019/20) respectively.
		The average and year end exchange rates: only average rates for two years availed
		The interest rates: only the previous 2 years average provided
		The money supply: not provided
Schedule 3(2)	Medium term fiscal Framework: Targets of Government for variables which are subject of Fiscal objectives under CFR	Presented under section 1.2
Schedule 3(3)	Medium term fiscal Forecast: covering the previous two FY, current FY and next five FY	Non petroleum revenue availed
		Petroleum revenue not provided
		Expenditure and net lending provided
		Overall balance provided
		Non petroleum balance provided

Schedule 3, PFMA	Schedule 3 Requirements	NBFP Provisions
Schedule 3(5)	Statement of Resource for the annual budget for next Financial year	Presented under section 1.4. However the floor of investments of Gov't in the FY is not provided
Schedule 3(6)	Statement of Policy measures	Provided under section 1.9
Schedule 3(7)	Medium Expenditure Framework	Projections of Government expenditure in respect of each vote(and each programme) for the financial year and the next financial year(s) split into current expenditure and investment expenditure is provided in Annex 1 and 2
Schedule 3(8)	Fiscal Risks statement	Statement of main sources of risks on fiscal objectives of Government provided in section 1.7. However the quantified estimation of fiscal impacts of these risks is not provided

Source: PBO Compilations

2.2 Consistency with the National Development Plan III

Hon. Members, the goal of NDPIII is to Increase average Household Incomes and Improve the Quality of Life of Ugandans. The overall theme of NDP III is *"Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation"*.

With regards to **Macroeconomic Policy alignment**, the NBFP is largely aligned to the NDPIII (see table 2 below for details).

Table 2: Consistency between NDP III and NBFP Macroeconomic Policy targets

NDP III Macroeconomic Policy Objectives	NBFP Macroeconomic Policy Targets
Poverty reduction from 21.4 percent to 18.5 percent by FY2024/25	Information Not Provided
Achieving an accelerated economic growth rate at about 7 percent by FY2024/25	Growth is projected at 7.0% in 2024/25 and 7.6% in FY2026/27
Increase in the stock of jobs by an annual average of about 512,000	Projected Stock of jobs to be created in the FY2022/23 is 200,000- 150, 000agro industry value chain, 10,000 Tourism, 30,000 ICT, 10,000 Urbanisation and Housing Sector
Maintaining core inflation within the target band of 5 percent +/- 3	Core inflation projected at 5.3% in 2024/25 and 5% in FY2026/27
Ceiling on debt to GDP of 50 percent in present value terms and a gradual achievement of a fiscal deficit of 3 percent by FY2024/25	Present Value of Debt to GDP projected at 34% in FY2024/25 and Nominal Debt to GDP projected at 51.2% in 2024/25 and 49.3% in FY2025/26; Fiscal deficit as percent of GDP projected at 3.7% in FY2024/25 and 2.9% in FY2025/26
Domestic revenue average annual growth of 0.5 of GDP percentage points	Domestic Revenue to GDP projected to increase by an average of 0.5% over the medium term. Projected at 15.72% in FY2025/26

Source: PBO Compilations

In regards to **allocative efficiency alignment** of the NBFP to the NDPIII, there are slight allocative inefficiencies as highlighted in table 3, mainly in the Public Sector Transformation Programme, Regional Development Programme and Climate Change Programme.

Table 3: Assessment of allocative efficiency alignment

SN	PROGRAMME	BFP 2022/23 Indicative Budget Allocations (Ushs Bn.)	NDP III Public Sector Budget Allocations (Ushs Bn.)	Variance Btn BFP and NDPIII Allocations (Ushs Bn.)	As Share of Total BFP Budget Allocations	As Share of Total NDPIII Budget Allocations
1	Human Capital Development	6,919.5	6,029.0	890.50	16.3%	10.6%

SN	PROGRAMME	BFP 2022/23 Indicative Budget Allocations (Ushs Bn.)	NDP III Public Sector Budget Allocations (Ushs Bn.)	Variance Btn BFP and NDPIII Allocations (Ushs Bn.)	As Share of Total BFP Budget Allocations	As Share of Total NDPIII Budget Allocations
2	Governance and Security	6,480.2	7,435.0	(954.80)	15.3%	13.1%
3	Integrated Transport Infrastructure & Services	4,855.9	5,385.0	(529.10)	11.4%	9.5%
4	Agro-Industrialization	1,798.6	1,732.0	66.60	4.2%	3.1%
5	Sustainable Energy Development	1,107.8	1,159.0	(51.20)	2.6%	2.0%
6	Development Plan Implementation	1,027.9	1,916.0	(888.10)	2.4%	3.4%
7	Regional Development	1,066.4	4,228.0	(3,161.60)	2.5%	7.4%
8	Climate Change, Natural Resource, Env't & Water Mgt	890.0	2,088.0	(1,198.00)	2.1%	3.7%
9	Legislation, Oversight & Representation	686.6	881.4	(194.80)	1.6%	1.6%
10	Private Sector Development	660.9	653.0	7.90	1.6%	1.2%
11	Sustainable Urbanization and Housing	427.6	952.0	(524.40)	1.0%	1.7%
12	Administration of Justice	383.9	768.4	(384.50)	0.9%	1.4%
13	Public Sector Transformation	207.8	3,847.0	(3,639.20)	0.5%	6.8%
14	Digital Transformation	217.7	727.0	(509.30)	0.5%	1.3%
15	Tourism Development	181.6	731.0	(549.40)	0.4%	1.3%
16	Sustainable Development of Petroleum Resources	149.3	852.0	(702.70)	0.4%	1.5%
17	Manufacturing	79.1	594.0	(514.90)	0.2%	1.0%
18	Community Mobilization and Mindset Change	72.6	811.0	(738.40)	0.2%	1.4%
19	Mineral Development	35.6	651.0	(615.40)	0.1%	1.1%

SN	PROGRAMME	BFP 2022/23 Indicative Budget Allocations (Ushs Bn.)	NDP III Public Sector Budget Allocations (Ushs Bn.)	Variance Btn BFP and NDPIII Allocations (Ushs Bn.)	As Share of Total BFP Budget Allocations	As Share of Total NDPIII Budget Allocations
20	Innovation, Technology Development & Transfer	24.2	582.0	(557.80)	0.1%	1.0%
Memo	Domestic Refinancing, External Debt Amortization, & Interest Payments	15,202.2	14,742.0	460.20	35.8%	26.0%
	Total (excl arrears & AIA LG)	**42,475.4**	**56,763.8**	**(14,288.40)**	**100.0%**	**100.0%**

Source: PBO Computations

The Committee observes that the Agro-industrialisation programme is key in monetising the subsistence economy and an allocative efficiency assessment of this programme was therefore paramount (see table 4).

It is clear from the table that the indicative budget allocations are biased on agriculture production and productivity. There exists a significant allocative inefficiency in the area of storage, agro-processing and value addition when compared to the NDP III.

Table 4: Allocations within Agro-Industrialisation Programme

Sub-programme/objectives	Allocations (UShs. Billion)		Allocation %	
	NDP III	**NBFP 2022/23**	**NDP III**	**NBFP 2022/23**
Agricultural Production and Productivity	822.1	1454.8	54.9%	80.9%
Storage, Agro-Processing and Value addition	363.2	69.2	24.3%	3.8%
Agricultural Market Access and Competitiveness	130.1	103.9	8.7%	5.8%
Agriculture Financing	161.6	0	10.8%	0.0%
Institutional Strengthening and Coordination	20	170.3	1.3%	9.5%
Total	**1497**	**1798**	**100.0%**	**100.0%**

Source: NPA Computations

Committee Observations:

- The NBFP's Nominal debt to GDP target of 53.2 percent is above the NDP III target of 48 percent in FY2022/23 and this is a concern to fiscal sustainability;

- The NBFP doesn't directly present the implementation status and list of NDP III core projects and yet this information will be useful in effectively ascertaining the alignment of the NBFP and NDP III. It should be noted that the NDP III core projects are high multiplier projects with significant impact to realisation of the NDP III objectives;

- The NBFP does not provide detailed information that would be required to undertake a more comprehensive alignment of the NBFP to the NDP III.

- Allocative efficiency at programme level is not fully consistent with the NDP III;

Committee Recommendations:

i. **There is a critical need to scale up revenue mobilization and gradually reduce the appetite for borrowing especially domestic borrowing; any further borrowing should be highly concessional to address key strategic interventions that have high returns on investment and can spur growth of the economy.**

ii. **The indicative allocation efficiency of the BFP should be fully aligned to the NDP III;**

iii. **comprehensive assessments of BFP alignment to the NDP would require a restructured BFP that would provide detailed information on:**
   - **Implementation status and a statement of alignment of the BFP to NDP core projects;**
   - **A costed Budget Strategy including costs of key/priority interventions& policies; and details of the projected impact of each key intervention to the economy;**
   - **A comprehensive statement of implications of misalignment of BFP with NDP, where the misalignment exists.**

iv) **The National Planning Authority should fast track the Mid-Term review of the NDPIII in light of the implementation challenges occasioned by the persistent Covid-19 pandemic and its associated effects on the major sectors of the economy. The review should also address the institutional challenges encountered in the shift from Sector-wide approach to Programme-based approach and where possible rethink the efficacy of this reform.**

2.4 Consistency with the Charter of Fiscal Responsibility (CFR)

The Charter of Fiscal Responsibility (CFR) has 3 fiscal objectives namely: (i) total public debt in nominal terms is reduced to below 50% of GDP by FY 2025/26; (ii) the overall fiscal balance including grants should gradually adjust to a deficit not exceeding 3.0 percent of non-oil GDP by FY 2025/26 and (iii) a minimum of 0.8% of the preceding year's estimated non-oil GDP outturn shall be transferred to the consolidated fund for budget operations. The balance shall be transferred to the Petroleum Revenue Investment Reserve (PRIR) for investment in accordance with the PFMA as amended. In order to ensure more compliance with the charter, a path (i.e. annual targets) were set.

The Committee undertook an assessment of the CFR targets against the NBFP targets as detailed in Table 5 below.

Table 5: Assessment of CFR targets against NBFP targets

PUBLIC DEBT		2021/22	2022/23	2023/24	2024/25	2025/26
Nominal Debt to GDP	CFR Targets	52.70%	53.10%	52.40%	51.20%	49.30%
	NBFP Targets	52.70%	53.10%	52.40%	51.20%	49.30%
FISCAL BALANCE		**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Overall Fiscal Balance Including Grants	CFR Targets	-6.40%	-5.40%	-4.60%	-4.20%	3.00%
	NBFP Targets	-5.40%	-3.60%	-3.80%	-3.70%	-3.10%
Total domestic debt interest payments to Total revenues	CFR Targets	15.20%	14.60%	14.10%	13.60%	12.50%
	NBFP Targets	22.70%	19.9%	17.4%	15.0%	11.8%
Non-oil Revenue to GDP	CFR Targets	13.80%	14.40%	14.90%	15.40%	15.90%
	NBFP Targets	14.80%	15.2%	15.7%	16.2%	18.5%

Source: PBO Computations

The NBFP 2022/23 is largely consistent with the CFR at the broad level. However, by 2025/26 the fiscal deficit to GDP is projected at 3.1% which is slightly higher than the 3% CFR target. In addition, the projected total debt interest payments to revenues (excl. grants) of the NBFP are not consistent with the CFR for the first 4 years of the CFR period.

The Committee recommends that the budget for the short and medium term fully complies with CFR requirements and any deviation must be guided by Section 7 of the PFMA, inclusive of the reasons for the deviation and the adjustments to be done to bring the overall fiscal deficit back to the set path over the remaining financial years.

2.5 Gender and Equity Responsiveness

Section 9(5) to 6(a-b) of the Public Finance Management Act 2015 provides that the Minister responsible for Finance shall, in consultation with Equal Opportunities Commission issue a certificate; -

a) Certifying that the National Budget Framework Paper for FY 2022/23 – 2026/27 is gender and equity responsive; - and

b) Specifying measures undertaken to equalize opportunities for men, women, persons with disabilities and marginalized groups.

In fulfilment of the requirements of the sections 9(5) to 6(a-b), the Commission assessed the National Budget Framework Paper for FY 2022/23 – 2026/27 and the overall compliance with Gender and Equity requirements was at 70% an improvement from last NBFP 2021/22 which was rated at 64.75%.

The Certificate of Gender and Equity Responsiveness indicates that the imbalances in society have been reduced to the categories also referred to as constituencies of children, gender, location, person with disabilities and youth.

Table 6: Gender and Equity performance

Programme	FY2021/22	NBFP2022/23
Human Capital Development		80%
Community Mobilization and Mindset Change	79%	79%
Climate Change, Land and Water Management		75%
Development Plan Implementation	63%	73%
Public Sector Transformation	62%	70%

Programme	FY2021/22	NBFP2022/23
Administration of Justice		70%,
Agro-industrialisation	68%	69%
Legislature		69%
Innovation, Technology Development and Transfer	66%	69%
Governance and Security	68%	68%
Integrated Transport Infrastructure and Services	66%	68%
Manufacturing	56%	68%
Digital Transformation	66%	67%
Sustainable Urbanization and Housing	63%	65%
Regional Development		65%
Tourism Development	61%	63%
Private Sector Development		61%
Mineral Development	59%	59%
Sustainable Petroleum Development		59%
Sustainable Energy Development		54%

Source: Certificate for Gender and Equity Responsiveness on NBFP FY2021/22 & 2022/23

The Committee observes:

- The gender constituencies identified need to be broadened to address aspects such as employment imbalances/inequalities among others.
- Interventions articulated in the Certificate were not informed by any national gender and equity gap-mapping survey to inform the assessment of the national budget framework paper and subsequently recommendations of the Equal Opportunities Commission.
- The interventions to address the gender and equity gaps in each of the constituencies showed that the budget allocations were very minimal to cause impacts to the most vulnerable. The assessment was also largely at a more macro level covering programmes and agencies at central government level. The local government's budgets are not included in the assessment.
- The late submission of the Budget framework Papers by MDAs to the

EOC affects the timely assessment and production of the assessment report and hence hinders the timely issuance of the Certificate.
- Some MDAs do not possess adequate capacity in gender and equity budgeting and analysis.

Committee Recommendations:

- **Equal Opportunities Commission is supported to undertake periodic national gender and equity gap-mapping surveys;**
- **EOC should consider expanding its scope of work to include local governments and employment imbalances;**
- **More capacity building should be undertaken at all MDAs especially with regard to the assessment criteria and methodology.**
- **The MDAs that do not submit the required documents in time should be subjected to the sanctions as provided for in Section 78 of the PFMA, Act (2015).**

2.6 Climate Change Responsiveness

Section 30(b) of the National Climate Change Act 2021 requires the Minister responsible for climate change to consult with the Chairperson of the National Planning Authority and issue a certificate certifying that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions and measures. The NBFP under review however lacks this certificate.

The Committee recommends that the Minster responsible for climate change complies with the law and presents before Parliament a Certificate certifying that the Budget Framework Paper is climate change responsive

3.0 ECONOMIC AND BUDGET PERFORMANCE HIGHLIGHTS

3.1 Economic Performance FY2020/21

Economic growth: The size of the Ugandan economy expanded from UShs 139,686 billion in FY2019/20 to UShs 147,962 billion in FY2020/21, registering a real GDP growth rate of 3.4 percent. This performance though modest, represents a better recovery from 3.0 percent growth in the previous financial year. A mild recovery is underway in some sectors (industry and services), with economic growth in FY2021/22 expected to reach 3.8% before returning to pre-pandemic levels of 6% -7% over the medium term.

Employment: According to the National Household Survey FY2019/20, the unemployment rate reduced from 10 percent in FY2016/17 to 9 percent in FY2019/20. An update to the labour survey concluded that the percentage of working persons in formal employment declined from 57 percent prior to March 2020 to 47 percent post-March 2021. At the same time, the percentage of persons working in subsistence agriculture increased from 41 percent prior to March 2020 to 52 percent after March 2021. Prior to the outbreak of COVID-19, there were 1.72 million unemployed youth including 0.362 million graduates in the country *(2020 UBOS Statistical Abstract).* According to the Uganda Bureau of Statistics, the share of unemployed youth (national definition, 18 to 30 years) among the total unemployed persons in the country is about 64 per cent.

The adverse impact of the COVID-19 pandemic on employment is further demonstrated in results from a business survey carried out by the Economic Policy Research Centre (EPRC) in March 2021, which indicate a sharp contraction in employment across all sectors following the first lockdown in March 2020, with the services sector as the most affected where more than 2 million formal jobs in the services sector were lost.

Inflation: Annual headline inflation averaged 2.5% in FY 2020/21, an increase from 2.3% in FY2019/20. This arose from a rise in transport fares following the pandemic related restrictions on public service vehicles. In FY 2021/22 annual headline inflation is projected to increase to 2.7% due to pandemic restriction impacts and fuel prices. Core inflation is projected to decline to 2.4% from 3.5% in FY 2020/21, below the BOU target of 5%.

External Sector: The rebound in global demand contributed to a recovery in Uganda's exports, which rose by 38.8% in FY 2020/21 in comparison to FY 2019/20. Mineral exports (contributing 42.7% of total export earnings) and Coffee (contributing 10.5% of total export earnings) were the key drivers of this export growth. Uganda's imports grew by 34.2% in FY 2020/21 compared to FY 2019/20, as private sector demand for imports rebounded and supply chains improved.

Uganda's trade with the EAC resulted in a larger deficit in FY2020/21compared to the previous year. The deficit increased four-fold from US$ 201.5million during financial year 2019/20 to US$ 836.1 million in FY2020/21. Kenya was the main destination of Uganda's exports within the region absorbing about 48.6 percent, followed by South Sudan at 36.1 percent. In terms of imports, Tanzania and Kenya accounted for 98percent of the total. The EAC region overtook Asia to become Uganda's major trading partner in

FY2020/21, with total value of trade amounting to US$ 3,377.8 million from US$ 2,405.1 million registered the year before.

The Middle East remained the top destination for Uganda's exports during FY2020/21, amounting to 43.6 percent of merchandise exports. This was followed by the East African Community, accounting for 24.1 percent.

Public Debt: the stock of public debt increased to US$ 19.54 billion equivalent to 46.9% of GDP at the end of June 2021, and projected to rise to 52.7% by end of June 2022. In-spite of the increase, Uganda's debt remains sustainable in the medium to long run. However, the risk of debt distress has increased from low to moderate, with the major vulnerabilities to the debt outlook emerging from slow export growth and increasing debt service burden.

Public debt is projected to peak at 53.1% at the end of FY 2022/23, an increase from the projected outturn of 52.7% at end of the current FY 2021/22.

3.2 Budget Performance FY2020/21

The budget strategy during the year was constrained by revenue shortfalls and weaker execution of externally funded development activities. As a result, the overall fiscal balance was a deficit of Ushs 14.563.6 billion, equivalent to 9.5% of GDP. The COVID-19 crisis led to the emergency IMF and World Bank financial assistance in June 2020 to help in mitigating the impact of COVID-19 on the economy and support mitigating measures amidst high fiscal pressures. Despite the support, estimates indicate severe income losses due to the pandemic, leading to an estimated increase in the national poverty ratio by 7.5%[1]

Revenue: Domestic Revenue collections amounted to Ushs 19,838.8 billion, 91 percent of this was realized leaving a UGX 1,972 billion shortfall. Of the total collections, Ushs 18,336.8 billion or 92.4% was tax revenue, while Ushs 1.361 billion was non- tax revenue. Tax revenues were short of target by Ushs 1,882.9 billion or 9.3%, as all major tax categories posted shortfalls due to the impact of the pandemic related restrictions. Particularly, direct domestic taxes totaling to Ushs 6,619.4 billion experienced a shortfall of Ushs 874.7 billion arising from lower performance of PAYE (shortfall of Ushs 315.5 billion); corporate income tax (shortfall of Ushs 239.9 billion); and rental income tax (shortfall of Ushs 168.3 billion) as the pandemic containment measures resulted into job and wage losses, lower profitability and dampened real estate activities. At the same time, fall in aggregate demand during the year negatively affected consumption-related domestic taxes. Other factors that contributed to

[1]Simulation study performed by International Growth Centre and the Ministry of Finance, Planning and Economic Development, Uganda

the shortfalls in domestic revenues included; i) delay in implementation of some tax revenue measures such as the increase in excise duty on fuel and withholding tax on insurance and advertising agents, ii) delays in implementing tax administrative reforms, including the Electronic Fiscal Receipting and Invoicing System (EFRIS) and rental income tax solution.

Expenditure: The approved national budget for the FY 2020/21 (excluding refinancing, net lending and investment, and amortization) was Ushs 35.48 trillion, of which Ushs 35.89 trillion was spent. This expenditure over and above the approved budget was a result of supplementary expenditures.

Table 7: National Budget Performance FY 2020/21 (Ushs, Billion)

	Approved Budget	Outturn	Performance
Wage	5,082.20	5,180.50	101.9%
Non-Wage	12,544.90	13,976.10	111.4%
GoU-Dev't	8,488.90	9,681.90	114.1%
Ext. Financing	8,695.60	5,478.60	63.0%
Arrears	450	844.4	187.6%
AIA	215.6	728	337.7%
Total	**35,477.20**	**35,889.50**	**101.2%**

Source: **Annual Macroeconomic and Fiscal Performance Report FY 2020/21and PBO computations**

4.0 ECONOMIC AND FISCAL STRATEGY FOR FY2022/23 & THE MEDIUM TERM

4.1 Economic Strategy

Rt. Hon. Speaker and Hon. Members, the Economic strategy in the FY2022/23 and medium term has the twin objectives of restoring economic activity to pre-pandemic levels and subsequently accelerating the pace of social economic transformation. As a result real GDP growth is projected at 6% in FY 2022/23 and an average of 7% over the medium term.

The economic strategy in the FY2022/23 and in the future therefore, seeks to achieve the following three broad objectives;

i. Ensure Peace and Stability through enhanced Security and Macroeconomic stability, as key foundations for growth andDevelopment;
ii. Mitigate the impact of the COVID19 pandemic through wide spread vaccination, support to businesses, and re-opening the economy toenable all sectors to function optimally;
iii. Enhance socio-economic transformation by redirecting budgetary resources towards wealth and job creation, industrialization, export promotion and other areas with high returns on investment.

The Committee observes that the economic outlook remains highly uncertain, with risks tilted to the downside, including from the resurgence of tighter containment measures linked to new COVID-19 variants. Therefore what remains critical is the mitigation of the COVID-19 pandemic through vaccination of the targeted 22 million Ugandans and the strengthening of the health system to deal with the pandemic.

Government should also maintain an elaborate sensitization programme as the economy is opened to ensure that the population keeps aware and safe from the resurging variants.

4.2 Medium Term Fiscal Strategy

Hon. Members, the overall fiscal strategy is to promote inclusive growth to increase household incomes and improve quality of life of Ugandans without compromising fiscal and debt sustainability.

The fiscal target for FY 2022/23 reflects fiscal consolidation while prioritizing social spending. The budget, appropriately targets a 3.6% of GDP deficit target. This 1.8% of GDP improvement over the projected outturn of this FY 2021/22 will help lower expensive domestic borrowing costs and create space for private sector credit. To reduce the fiscal deficit, public expenditure will be reduced from 20.4% in the current FY 2021/22 to 18.7% of GDP in FY 2022/23. This will be done by freezing the creation of administrative units and speedup rationalization to improve efficiency in government. In addition salary enhancement across the board will be postponed.

The Committee observes that:

- **Fiscal policy should balance support for economic recovery and sustainable public debt while reducing reliance on domestic financing to alleviate crowding out private sector financing.**

- **An increase in current spending for FY 2022/23 of 12% of GDP compared with a reduction in public investment spending of 7% of GDP may not increase the productive capacity of the economy. It is**

therefore important improve the spending composition towards public investments. Over the medium term, recurrent expenditure is projected to average at 11.3 percent of GDP, while development expenditure is projected to average at 8.5 percent of GDP. In order to improve productive capacity, the stock of productive infrastructure should be stepped up.

- **The risk of debt distress has increased from low to moderate overtime. The reduced amount of expensive domestic borrowing and the prioritization of concessional financing over the medium term will help keep debt sustainable, despite increasing resort to non-concessional finance. Caution should be taken as greater shift in the composition of financing towards non- concessional finance would increase the risk of debt distress further. Considerations by government in the NBFP to adopt pre-financing mechanisms may avoid heightening this risk.**

4.3 Resource Envelope for FY2022/23

The total resource envelope for the FY 2022/23 is projected at UGX 43,083.20 billion a decrease of UGX 1,695.6bn compared to the approved resource envelope of FY 2021/22. The projected decrease in resource inflows is mainly attributed to a projected substantial decrease in external borrowing for budget support (by UGX 2,279.5bn). It is also important to note that domestic borrowing is projected to decrease by 8.72% (or by UShs 1,002.1bn) compared to the FY2021/22.

Domestic revenues are expected to increase by UShs 2,890.7bn on account of increased tax revenues as a result of the implementation of the Domestic Revenue Mobilisation Strategy and a projected growth of the economy.

Table 8: Summary of the Projected Resource Envelope for FY2022/23

UGX Billions	**2021/22 Approved**	**2022/23 Projected**	**Changes**	
			Absolute	**Relative**
Domestic Revenue	**22,837.40**	**25,728.10**	**2,890.70**	**12.66%**
Tax Revenue	20,837.00	23,755.00	**2,918.00**	**14.00%**
Non Tax Revenue	1,800	1,973	**172.70**	**9.59%**
o/w Central Gov't AIA	728	801.7	**73.70**	**10.12%**
o/w Local Gov't AIA	212.4	212.4	**0.00**	**0.00%**
Petroleum Fund	200	0	-200.00	-100.00%

UGX Billions	2021/22 Approved	2022/23 Projected	Changes	
			Absolute	Relative
Grants	**1,441.30**	**869.00**	**-572.30**	**-39.71%**
o/w Budget Support	75.00	63.00	**-12.00**	**-16.00%**
o/w Project Support	1366	806	**-560.30**	**-41.01%**
Domestic Borrowing	**11,489.60**	**10,487.50**	**-1,002.10**	**-8.72%**
o/w Domestic Financing	2,942.60	2,836.00	**-106.60**	**-3.62%**
o/w Domestic Refinancing	8,547.00	7,651.50	**-895.50**	**-10.48%**
External Borrowing	**9,010.50**	**5,998.60**	**-3,011.90**	**-33.43%**
o/w Budget Support	3508.2	1228.7	**-2,279.50**	**-64.98%**
o/w Project Support	5,502.30	4,769.90	**-732.40**	**-13.31%**
GRAND TOTAL	**44,778.80**	**43,083.20**	**-1,695.60**	**-3.79%**
Memo Items				
Nominal GDP (Billions)	151,648	167,371		
Domestic Revenue (incl. grants) as % of GDP	16.0%	15.9%		
Tax Revenue as % of GDP	13.7%	14.2%		
Domestic Borrowing as % of GDP	7.6%	6.3%		
External Borrowing as % of GDP	5.9%	3.6%		

Source: PBO Computations

We note that the resource envelop as submitted may be subjected to adjustment given the fact that it was premised on December projections. If there any new resources identified before the finalisation of the Budget as indicated by the Minister during the interaction with the Committee, priority interventions should focus on improving the productive capacity in all sectors to support economic recovery strategy.

4.4 Resource Allocations by Programme for FY2022/23

Resources have been allocated to 20 programmes in line with NDP III. Debt related expenditure (including domestic arrears) continue to take the "lion's" share (i.e. 36.2% or UShs 15,597.6 billion) of the budget. The Human Capital development Programme, Governance & Security programme, , and the Integrated Transport Infrastructure & Services programme have been financially prioritized with 16.1%, 15.0%, and 11.3% share of the total budget respectively.

Other key priority programmes that would spur growth, increase production and create employment have remained inadequately funded. These include Agro- Industrialization Private Sector Development, Tourism development, and Mineral development, programmes that have been financially prioritized with 4.2%, 0.4%, and 0.1% share of the total budget respectively

The proposed resource prioritisation is very worrying and could indicate that our fiscal operations may not be sustainable in the long run; as debt related payments continue to take the largest share of the budget; as allocations for interventions to strengthen the productive sectors of the economy to drive growth are least prioritized.

Table 9: Overall Resource Allocation by Programme & Non-discretionary Expenditure (UGX, billion)

PROGRAMME	Approved Budget FY2021/22	Projected Budget Estimates FY2022/23	Changes		As a Share of FY2022/23 Budget Estimates
			Absolute	Relative	
Human Capital Development	7,598.5	6,919.5	(679.00)	-8.9%	16.1%
Governance and Security	6,971.9	6,480.2	(491.70)	-7.1%	15.0%
Integrated Transport Infrastructure & Services	5,024.9	4,855.9	(169.00)	-3.4%	11.3%
Sustainable Energy Development	1,150.2	1,107.8	(42.40)	-3.7%	2.6%
Agro- Industrialization	1,686.50	1,798.6	112.10	6.6%	4.2%
Regional Development	1,242.1	1,066.4	(175.70)	-14.1%	2.5%
Development Plan Implementation	1,101.8	1,027.9	(73.90)	-6.7%	2.4%
Legislation, Oversight & Representation	831.9	686.6	(145.30)	-17.5%	1.6%
Private Sector Development	587.9	660.9	73.00	12.4%	1.5%
Climate Change, Natural Resource, Env't& Water Mgt	668.5	890.0	221.50	33.1%	2.1%
Sustainable Urbanization and Housing	312.8	427.6	114.80	36.7%	1.0%

PROGRAMME	Approved Budget FY2021/22	Projected Budget Estimates FY2022/23	Changes		As a Share of FY2022/23 Budget Estimates
			Absolute	Relative	
Innovation, Technology Development & Transfer	344.3	24.2	(320.10)	-93.0%	0.1%
Public Sector Transformation	325.8	207.8	(118.00)	-36.2%	0.5%
Sustainable Development of Petroleum Resources	106.4	149.3	42.90	40.3%	0.3%
Administration of Justice	373.1	383.9	10.80	2.9%	0.9%
Tourism Development	178.9	181.6	2.70	1.5%	0.4%
Digital Transformation	134.9	217.7	82.80	61.4%	0.5%
Mineral Development	49.0	35.6	(13.40)	-27.3%	0.1%
Manufacturing	54.4	79.1	24.70	45.4%	0.2%
Community Mobilization and Mindset Change	56.9	72.6	15.70	27.6%	0.2%
SUB TOTAL	**28,800.7**	**27,273.2**	**(1,527.50)**	**-5.3%**	**63.3%**
**** Memo Items**					
Domestic Refinancing	8,547.0	5,088.1	(3,458.90)	-40.5%	11.8%
Interest Payments & External Debt Repayments (Amortization)	6,818.8	10,114.0	3,295.25	48.3%	23.5%
Domestic Arrears	400.0	395.5	(4.50)	-1.1%	0.9%
Appropriation in Aid/Local Revenue	212.4	212.4	0.02	0.0%	0.5%
GRAND TOTAL	**44,778.8**	**43,083.2**	**(1,695.63)**	**-3.8%**	**100.0%**

Source: PBO Computations

4.5 Budget Review to finance the Budget Strategy for FY 2022/23

Hon. Members, the current slowdown of the economy and the limited fiscal space for borrowing to meet additional expenditure needs, necessitated the need for Government to carry out a review of the Government of Uganda (GOU) funded indicative budget for FY 2022/23. The review was based on the following principles:

a) Review of expenditure needs vis-à-vis the NDP III priorities and the Budget
b) Strategy for FY 2022/23;
c) Ensuring that recurrent expenditure items that were part of the supplementary schedules for FY 2021/22 are provided for in the MTEF for FY 2022/23;
d) Statutory obligations such as salaries, gratuity, pension and social security contributions are adequately provided for;

e) Wage allocations are based on approved staff establishment, filled and vacant positions in view of the vote MTEF Ceiling for FY 2022/2023;
f) Provision for mandatory operational costs;
g) Ensuring that on-going commitments with contractual obligations are catered for; and
h) Ensuring that Project interventions are aligned to the Budget Strategy and Program Implementation Action Plans (PIAPs).

Accordingly, the total proposed funds which have been raised amount to Ushs 1,261.62 billion (as detailed in table 10); from rationalization of the Budget (Ushs 1,056.02 billion), and from Wealth Creation Funds (Ushs 205.6 billion).

Table 10: Rationalisation of the Budget

Sources of Proposed Funds for Reallocation	
	Amount (UShs Bn)
Budget Rationalisation	1,056.02
Women Empowerment Program (UWEP)	32
Planting materials under NAADS	32.2
Luwero-Rwenzori	24.8
PRDP	72.1
Coffee Seedlings Under UCDA	44.5
TOTAL	**1,261.62**
Proposed Allocation of funds to Priority Areas	
Enhancement of salaries for scientists and health workers	400.36
Ex-gratia for PS's who recently retired	0.50
Wage and Pension shortfalls for selected Institutions	246.60
Operationalization of new Administrative Units	88.08
Operationalization of Newly Created Cities	60.60
Operationalization of the Parish Development Model (financial inclusion pillar)	465.48
TOTAL	**1,261.62**

Source: NBFP 2022/23

The Committee observes that, in order to support economic recovery, and bringing on board sections of the population in the subsistence economy to the monetized economy, the rationalization of the budget is paramount. However, the rationalization of the wealth funds must be informed by comprehensive evaluation studies to ensure that the gains/benefits from these wealth funds are not lost.

The Committee therefore recommends:

- **Reinstatement of existing wealth funds until comprehensive evaluation studies are undertaken in order not to disrupt the possible gains achieved under the existing wealth funds. Parliament had already made resolutions on these funds.**

- **There is need to further review Governments' entire Project Portfolio, in order to assess the projects which should exit the Project Investment Plan (PIP). Projects that are not performing should be stopped so that funds can be released for emerging priorities in the minerals sector, manufacturing sector, tourism sector, development of industrial park infrastructure, petroleum sector, among others.**
- **Undertake further rationalization of the budget in order to realize more funds to meet the targeted Ushs 100 million per parish under the PDM.**

5.0 BUDGET PRIORITIES AND POLICY PROPOSALS FOR FY2022/23

5.1 Revitalizing business activities

Consistent with the general economic downturn, businesses are not yet back to pre-lockdown levels in terms of operational capacity, revenues and profits. During lockdown revenue losses were about 70% and about 30% after lockdown[2]. There were large losses in employment during lockdown; and after lockdown, those employed are earning between 50%-70% of what they were before lockdown. Businesses have been severely constrained by low demand, lack of liquidity as well as difficulties in accessing inputs or supplies.

According to the NBFP, the strategy to restore business activities will be on implementing fiscal and monetary measures to boost aggregate demand in order to mitigate the impact of COVID-19 on businesses and MSMEs. In this regard, the following interventions have been proposed:

a) Business recovery fund to enable small businesses to access low-cost capital to recover;
b) EMYOOGA Funding, and support to SACCOs to provide seed capital for small businesses including special interest enterprising groups;
c) Implement the financial inclusion pillar of the Parish Development Model;

[2]Policy brief by MFPED and International Growth Centre: Impact of Covid-19 on Uganda Firms

d) UDB Capitalisation and other financing schemes such as the Agricultural Credit Facility;
e) Strengthening Private Sector Institutional and Organizational Capacity by focusing on the establishment of functional Business Development support service centers regionally;
f) Fast-track the approval of the Financial Sector Development Strategy (FSDS) by Cabinet to ensure a sound and integrated financial sector. This aims at increasing formal savings to from 16.5% of GDP in FY2017/18 to 53% of GDP in the medium term;

The Committee Recommends:

i. **Extensions of the Bank of Uganda credit relief programme where necessary; Increasing access to affordable capital through the Microfinance Support Centre, Agricultural Credit Facility, Uganda Development Bank, and UDC. These government programmes/ institutions need to design low cost financial products for promising SMEs and informal sector businesses.**

ii. **Tackling the underlying causes of high interest rates for businesses. There is need to roll out massive provision of Business Development Services (BDS) to boost their internal management capacities to access government interventions such as soft loans from UDB.**

iii. **This will also help to reduce informality which is an impediment to structured government interventions;**

iv. **Ensure awareness of existing government support programmes for firms and workers and how to apply, to ensure adequate uptake. These include the Uganda Agriculture Insurance Scheme (UAIS), Youth Livelihood Project, EMYOOGA, Business Development Services (Enterprise Uganda), Skilling (Skills Development Facility-SDF) and BTVET programmes.**

5.2 Parish Development Model

Rt. Hon. Speaker and Hon. Members, the Parish Development Model (PDM) is a strategy for organizing and delivering public and private sector interventions for employment generation and wealth creation at the Parish Level as the lowest economic planning unit. Government aims to graduate the 39% of households in the subsistence economy into agents of wealth creation under the PDM.It is a universal programme covering all the 10,594 parishes of the country.

The Model's operational focus is on prioritizing development of 18 commodities which include coffee, cotton, cocoa, cassava, tea, vegetable oils or oil palm, maize, rice, sugar cane, fish, diary, beef, bananas, beans, avocado, Shea nut, cashew nuts and macadamia nuts. The Parish Development Model centres on seven (7) pillars that include:

Pillar 1 - Production, Processing and Marketing (Value Chain Development)
Pillar 2 - Infrastructure and Economic Services
Pillar 3 - Financial Inclusion
Pillar 4 - Social Services
Pillar 5 - Community Data (Community Information System)
Pillar 6 - Governance and Administration
Pillar 7 - Mindset Change

In FY2021/22, UGX 200 billion was appropriated towards preparatory activities for the phased implementation of the PDM. These funds were able to support key activities like the establishment of the PDM Secretariat, recruitment of 6,000 Parish Chiefs - the posts filled so far are 9,847 (93%); popularization of the Parish Development Model; development of PDM guidelines and manuals for the seven pillars, among others.

In the FY2022/23 Government proposes to allocate an additional Ushs 465.48 billion for the operationalization of Pillar 3 (financial inclusion pillar) of the Parish Development Model in order to embark on pursuing its objective of monetizing the subsistence economy. However, these funds are not adequate to fully operationalize the PDM.

In this regard, the Committee recommends the following:

a) **For the full implementation of the Parish Development Model, government should integrate and main stream the PDM in all MDA strategic plans, budgets and work plans. The office of the Prime Minister and the Ministry of Finance should spearhead and enforce this integration/mainstreaming as MDAs prepare their MPS for FY2022/23.**
b) **There is need to review the administrative structure at the Parish to minimise operational expenses. Where possible the PDM should tap into the existing Local government structures to avoid duplication as government is moving towards rationalisation of government expenditure.**

5.3 Enhancing agro-industrialization and light manufacturing

Significant improvements have been made in agricultural sector. Agriculture grew at a rate of 3.8 percent contributing 23.18 percent of national GDP in the FY 2020/21 and also accounted for 44 percent of the total exports.

However, the sector is still characterized by; households still dependent on subsistence agriculture dominated by small-holder farmers holding on average 2.5 acres each, low labour productivity in the agro-industrial value chain; poor market access (mainly regional and international markets); low value addition (for instance over 95 percent of coffee is exported as raw unprocessed beans); limited access to agricultural financial services and other critical inputs.
Cabinet approved the Agricultural Value Chain Development Strategy 2021-2026 which prioritizes the Parish Development Model Pillar 1 (Production, Storage, Processing and Marketing). The strategy is anchored on market potential facilitated by proper agronomic practices through the agriculture extension service delivery and the use of the nucleus farmer model. This strategy purely emphasizes the value chain approach from the production and productivity level, postharvest handling and primary processing level, secondary to the tertiary processing level.

Given the dominance of agriculture as a source of livelihood, the sector seeks to offer a great opportunity for Uganda to propel its long term aspiration of increasing household incomes and improving the quality of life. It is against this backdrop that in the next financial year, the focus will be on sustaining the resilience of agriculture along the value chain, agro-processing, and support to light manufacturing by:

- Focus on and redirect resources to the production of key commodities that have a high impact on transforming the 39% of households in subsistence agriculture to the money economy. These are coffee, dairy, poultry and poultry products, fish, citrus, among others.
- Expand storage and processing capacity for agricultural commodities within the 18 zones of the country.
- Provide funds for private sector equity investment through Uganda Development Corporation (UDC) to be invested in key commodity agro-processing value chains;
- Capitalize Uganda Development Bank (UDB) to provide affordable and long-term capital at lower interest rates to agriculture, agro-processing, and manufacturing.
- Support development of regional Industrial Parks.

However, as earlier observed the indicative budget allocations are biased on agriculture production and productivity and there is need to provide more funds in the areas of storage, agro-processing and value addition over the medium term.

5.4 Improving the foundations for human capital development

Government has made significant gains in the health sector as evidenced by the declining infant and under-five mortality and the increasing life expectancy, expanded hospital capacity through the recruitment of additional staff , expanding High Dependency Units (HDU) and Intensive Care Units (ICUs) to 3,100 and 218 respectively, increasing the number of standard hospital beds by 475, among others. In regards to skills development, significant gains have been registered in Primary and Secondary School enrollment and literacy levels, infrastructure development of BVET institutions, among others. Significant progress has also been registered in access to safe water. The current safe water coverage in rural and urban areas is estimated at 68 percent and 70.5 percent respectively.

However, with all these significant gains, the country is still classified in the low human development category, ranking at 159 out of 189 countries as per the UNDP Human Development Report of 2019. A leading underlying reason for the challenges in the health and education sectors is the inadequate funding given the ever increasing demands.

Insufficient funding to the health and education sectors has culminated to inadequate medical supplies and equipment in health facilities, inadequate medical personnel in health facilities, poor welfare and morale of medical personnel, insufficient numbers of teachers and classrooms, inadequate availability of learning materials and other supplies, low student retention levels, high levels of teacher absenteeism due to low salaries, among others.

The Committee upholds Government strategy in the FY2022/23 of combating the COVID-19 pandemic through country wide vaccination of the targeted 22 million people, increasing the capacity for mitigating other communicable and non-communicable diseases, Fast-tracking the national health insurance policy, including the national ambulance systems, and Sustainably bringing back education to normality and attaining pre-COVID19 levels of access to education.

5.5 Promotion of Local Content

In the FY2022/23 Government intends to promote Local Content by ensuring that procurement targets purchase of locally produced goods and services to enable expansion of the private sector investments that will in turn increase production and employment opportunities for the population. Bidders that have a clear commitment to using local materials/inputs and services of local suppliers, including labour will be given priority. A clause on this commitment will be part of the contract agreement to ensure compliance.

However the Committee observes that the current Local Content framework (i.e. Policy, Legal and Institutional frameworks) are centered on the oil and gas industry and is therefore not holistic in nature. The policy, legal and institutional frameworks to promote local content in other sector's or industries are not yet fully established and this hinders the promotion of local content across all sectors of the economy.

In this regard, the Committee recommends the following:

a) **Immediate issuance of a Certificate of Financial Implications of the National Local Content Bill in order for Parliament to expeditiously finalise this Legislation:**
b) **Build the capacity of local firms to benefit from public investments Implement the existing local content policy, and other related legal and institutional framework**
c) **Develop and implement a holistic local content policy, legal and institutional framework;**

5.6 Enhancing Domestic Revenue Mobilization

Government launched a Domestic Revenue Mobilisation Strategy (DRMS FY2019/20-FY2023/24) in the October 2019 with the core objective to improve revenue collection, lifting Uganda's tax-to-GDP ratio to between 16-18% within the next five financial years; and thereby reducing the risks associated with debt accumulation to fund the much-needed infrastructure investments and social policy spending.

The Committee observes that the domestic revenue mobilisation efforts have been currently hindered by the COVID-19 pandemic; a lack of a National Tax Policy that would form the basis for tax legislation and administration; large informal sector, lack of a DRMS implementation plan, tax arrears (currently at UShs 209.9 billion),and tax exemptions worth UShs 7.7 trillion, among others.

In order to enhance domestic revenue mobilization efforts, the Committee recommends the following:

a) **Fast track the review of DRMS in view of the current economic challenges (Covid19) and develops an effective Implementation Action Plan for the effective operationalization of the DRMS; this should include establishing policies to formalise the informal sector.**

b) **Develop a National Tax Policy that would form the basis for effective tax legislation and tax administration as currently there is none.**
c) **Implement a coordinated approach to revenue mobilization across Government Ministries, Departments and Agencies to improve revenue mobilization efforts;**
d) **Undertake a study on the effectiveness and productivity of tax exemptions in Uganda**

5.7 Enhancing Fiscal Space and Government efficiency

In the FY2022/23 Government proposes to reduce public expenditure and improve the efficiency of the Government through freezing the creation of administrative units(Constituencies, Districts, Cities, Municipalities, Sub-Counties, and Town Councils), and speeding up the rationalization of Government Ministries, Departments and Agencies in line with the programmatic approach.

The Committee observes that this policy intervention will not only eliminate wastage but also create fiscal space for enhancing financing for critical development programmes such as the Parish Development Model and the comprehensive salary enhancement, all of which will contribute immensely to improving efficiency in the delivery of public services.

It should be noted that Government made a commitment to enhancing salaries of public servants by 50% starting FY2015/16 over the next three financial years. However, to date, only 30% increment to some categories like Permanent Secretaries, health workers and scientists has been implemented.

In this regard the Committee recommends that:

a) **Government through the Ministry of Public Service should fast-track the implementation of the Cabinet's decision to rationalize and merge some Government Departments and Agencies to reduce resource wastage, duplication of services and bring about efficiency in service delivery.**

b) **Government should expeditiously table in Parliament the necessary constitutional amendments and laws to enable completion of the rationalization of Government Ministries, Departments and Agencies.**

c) **Government develops a road map for the implementation for the commitment to enhance salaries of public servants by 50%;**

d) **Enforce strict adherence to Performance Contracts by Accounting Officers.**

5.8 Clearance of Domestic Arrears

Hon Members, the current stock of verified domestic arrears is UShs 1.682 trillion as at 30th June 2020. Domestic arrears in Uganda has been a perpetual challenge, to which Government has over the years put in place several measures to address the problem. These include:

a) The introduction of the Commitment Control System (CCS) in 1999,
b) Strengthening the legal framework surrounding the Public Financial Management system with special provisions entrenching the CCS;
c) Introduction public financial management systems and reforms such as the Integrated Financial-l Management System (IFMS), Planning and Budgeting System (PBS), decentralization of the salary and pension payrolls, all aimed at strengthening budgeting and expenditure controls

Government developed a Domestic Arrears Strategy in June 2021 called **"The Strategy to Clear and Prevent Domestic Arrears"**. The strategy emphasises a two-pronged approach, one prong focuses on the phased clearance of the existing stock of arrears in the medium term, and the second prong focuses on management control measures to stop the accumulation of new arrears.

In the FY2022/23 Government proposes to provide Ushs 400 billion to clear some of the verified outstanding stock of domestic arrears. In addition, all government institutions will be required to pay suppliers within 10 days from the date of invoice.

The Committee observes that domestic arrears stifle private sector investment and associated consequences, especially during the ongoing pandemic such as increase in the rates of non-performing loans, which in turn increases the cost of borrowing and lead to financial distress, loss of employment and Production, etc.

The committee therefore recommends the following:

a) **Government sets aside adequate resources in the domestic arrears budget to clear the current stock of domestic arrears over the medium term;**
b) **Government ensures that the new policy proposal of government institutions paying suppliers within 10 days from the date of invoice is fully implemented.**

d) **Enforce strict adherence to Performance Contracts by Accounting Officers.**

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The Committee observes that this policy intervention will not only eliminate wastage but also create fiscal space for enhancing financing for critical development programmes such as the Parish Development Model and the comprehensive salary enhancement, all of which will contribute immensely to improving efficiency in the delivery of public services.

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b) **Government should expeditiously table in Parliament the necessary constitutional amendments and laws to enable completion of the rationalization of Government Ministries, Departments and Agencies.**

c) **Government develops a road map for the implementation for the commitment to enhance salaries of public servants by 50%;**

5.9 Strengthening Public Investment Management

A 2018 Public Expenditure and Financial Accountability (PEFA) assessment found that only 10 percent of projects are subject to independent economic analysis, guidelines for project selection are not consistently used (most projects are selected on the basis of financing rather than adequacy of design), recurrent costs are not adequately considered, procurement is slow and there are no standard rules and procedures to monitor all projects.

However, strides have been taken to develop PIMS with the setting up of an appraisal unit in MoFPED and a Project Feasibility Studies Unit in NPA; development of a PIM Diagnostic Action Plan; institutionalizing PIMS function in MDAs; development and roll out of the Integrated Bank of Projects (IBP) system to all MDAs (all project submissions are now on the IBP system) ; capacity building of Personnel involved in PIMS - over 400 officers from over 60 MDAs have been trained in project preparation and appraisal; developed a draft National Public Investment Policy and developed a manual on project Implementation, Monitoring and Evaluation, among others.

In spite of the above progress, a number of challenges still continue to hinder the effective implementation of public investment programmes and projects, these include: delays in the acquisition of right of way such as land and compensation and/or resettlement for project affected persons; procurement delays which in turn affect project implementation, increase in direct costs of non-performing projects including commitment fees, insufficient real time monitoring of projects, poor sequencing of projects, insufficient feasibility and appraisal studies of projects, among others.

In order to increase the returns on public investments, there is need to strengthen the PIM framework and non-performing projects should either be re-structured, renegotiated or cancelled. The Committee was informed that starting next fiscal year, Government will provide funds for feasibility study equivalent to US$ one (1) million and Government has already identified 17 projects (worth $ 1.214 billion)that could be renegotiated or canceled.

The Committee recommends the following:

a) **Government undertakes real time monitoring of development projects and bi-annual monitoring reports are presented to Parliament to enhance oversight of project implementation;**
b) **Government develops a comprehensive legal framework on PIM;**
c) **Government finalizes and implements the National Public Investment Policy;**
d) **Government fast tracks the development of a policy on the acquisition of the Right of Way and corridors for the development of**

infrastructure to ease planning and avoid delays in infrastructure development;

e) **Government sequences projects, with priority given to those generating a bigger growth dividend.**

f) **Only projects with feasibility studies and that have been evaluated through the PIMS Framework should be admitted to the Public Investment Plan (PIP);**

g) **Funding/releases to projects whose implementation are off-track should be suspended and the responsible officers apprehended.**

5.10 Enhancing the quality and stock of productive infrastructure

Achievements have been made towards increasing coverage of road transport infrastructure. However, as the country undertakes massive infrastructure developments, it has been noted that meager budget allocations are made towards their operations and maintenance. This constrains the realization of the dividends of the expansionary infrastructure interventions and facilitates degradation of infrastructural developments. For instance, it has been established that roads maintenance annually requires between UGX 800 billion to UGX 1.2 trillion[3]. Unfortunately, agencies such as Uganda Road Fund that is charged with maintenance of roads is projected to be allocated only UGX 487 billion leaving it with a maintenance deficit of UGX 100 billion in its budget request for FY2022/23.

The Committee recommends that infrastructure projects should be allocated at least 20% of the total infrastructure budget for operations and maintenance within any given financial year[4].

6.0 Way Forward

The Budget Strategy in the FY2022/23 and Medium term should continue building around the principles of private sector- led inclusive growth and public sector reforms to strengthen governance and transparency. It should envisage multi-year fiscal consolidation while increasing priority and high quality infrastructure spending, and foster public sector efficiency.

Safeguarding debt sustainability should be prioritized. In this regard there is need for continued domestic revenue mobilization and sound project implementation, especially to realize the envisaged growth dividend from infrastructure investment. Prudent debt management is important to reduce

[3]Uganda Road Fund, 2019. Annual Report 2018/19. Financing Road Maintenance

[4]World Bank, 2016. Uganda Economic Update 7th Edition. From Smart Budgets to Smart Returns: Unleashing the Power of Public Investment Management

vulnerabilities, particularly given Uganda's moderate risk of debt distress ratings. Every effort should continue to be made to seek concessional financing.

There is also urgent need to accelerate reforms aimed at facilitating private sector activity (particularly local MSMEs) to develop capacity to drive the industrialization effort, increase exports, create jobs and increase local content. These reforms should include further improving the business environment by increasing the access to affordable credit and reducing the cost of doing business through increasing access to affordable energy and a reliable transport infrastructure that links the country to regional partners' states in order to widen our market opportunities.

To harness the potential of human resource to adequately drive Uganda's development agenda, there is need to continue to: build up the skills base with the relevant education requirements for employment, employability and sustainable growth.

Given the need to address the challenge of youth unemployment and under-employment arising out of skills mismatch and limited opportunities for employment, there is need to roll-out the National Apprenticeship and Graduate Volunteer Scheme as a constituency-based intervention to develop employability, self-employment and labour productivity; and there is a need to fund the Green Jobs Programme that targets both uneducated and educated youth and women business groups that are aspiring to transition from the informal (Jua-Kali) to the formal sector.

PART B:

7.0 SECTORAL COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

7.1 COMMITTEE ON INFORMATION COMMUNICATION TECHNOLOGY AND NATIONAL GUIDANCE

7.1.1 VOTE 020- MINISTRY OF ICT& NATIONAL GUIDANCE

Operationalization of the Parish Development Model Information System (PDMIS)
The Ministry of ICT& National Guidance is spearheading pillar 5 - Community Data (Community Information System) under the Parish Development Model and requires UGX. 70.60bn for the design, development and operation of the Parish Development Model Information System (PDMIS).
The PDMIS is an integrated system for community profiling, data collection, analysis, tabulation, storage and dissemination at all levels. It will be important in informing planning and decision making at both Sub-national and National levels.

The PDMIS will; Provide a repository for operational, administrative and socio-economic data to guide the generation of work plans, budgets and performance reports at Parish level and other levels of LGs feeding into the National level; Provide a platform for tracking the implementation of NDP III strategic interventions under the PDM; Provide an electronic web-based Management Information System platform for the results-based monitoring and evaluation of the PDM activities; Provide a system that ensures that all the money sent to the Parishes goes to the right beneficiaries and enable the Parish Development Committees to manage the funds; and Digitize processes across different pillars to ensure efficiency.

The success of the PDM implementation is hinged on the timely delivery of the PDMIS and the attendant data on Households and the other pillars of the PDM.

The Committee recommends that Government provides an allocation of UGX. 70.60bn for the operationalization of the Parish Development Model Information system (PDMIS) in the FY 2022/23 if the impact of the Parish Development Model is to be measured and appreciated in real time.

Business Process Outsourcing (BPOs), Digitization and Innovation
The Ministry of ICT& National Guidance is mandated and committed to accelerate national digital transformation and create opportunities to the

unemployed youths through Business Process Outsourcing (BPO) and Innovations initiatives.

The Ministry requires UGX. 31.90bn to implement this mandate, which funds will be spent in the; Development of the ecosystem for BPOs and innovations, Branding and Marketing Campaigns for Uganda as a destination for ICT investments, Participation in the International expos and engagements with potential investors, Facilitation of collaborative and due diligence activities for BPO and innovation companies, and Monitoring and evaluation of the innovations supported by Government; Support of innovators to develop solutions for digitizing government service delivery such as; Expanding the roll out of the e-procurement system; the e-document records management system, the integrated government asset information management system; Development and training of the human resource of ICT cadres to build capacity for government to effectively manage and support the digital transformation programme.

The Committee recommends that the Government provides UGX. 26.90bn towards Business Process Outsourcing, Digitization and Innovation by the Ministry of ICT& National Guidance for the FY 2022/23.

Communication and Mindset Change

The Ministry of ICT& National Guidance is responsible for providing professional media and communication services to government departments; foster a communication environment between government and the media and to integrate the international marketing of Uganda into the broader communication strategy of government, all of which require sufficient budgets.

That notwithstanding, the outbreak of the new Variant Omicron put the country on alert to avert detrimental effects likely to be caused by this Variant. As the Country moves to fully open the economy, it is important that Government reinforces public campaign to avert these effects.

For communication and mindset change a total budget of UGX. 9.0bn is needed to undertake massive public campaigns and dissemination of information on Government programmes. This is very critical if Government has to mutually account to the citizens on the implementation of manifesto and NDP; and mitigate the post effect of COVID pandemic on the economy.

The Committee recommends that Government allocates UGX. 9.0bn towards mindset change which funds will be used for; Strengthening Digital/ On-line Engagement; Professionalizing & Capacity Support for the Communication Function; and Implementing of GoU Communication Policy, 2022.

Establishment of the Communications tribunal
The establishment of the Communications tribunal is long overdue. Once it is set up, UGX. 2.942bn will be required to meet the recruitment, emoluments and other personnel expenses. Furthermore, UGX. 2.515bn will be required to provide the requisite equipment, utilities, facilities and other operating expenses which will amount to a total of UGX. UGX. 5.456bn.

The Committee recommends that Government allocates UGX. 5.456bn for the establishment of the Communications tribunal in the FY 2022/23.

7.1.2 UGANDA COMMUNICATIONS COMMISSION

Levy on Gross Annual Revenues of Licensed Operators
Under Section 68 of the Uganda Communications Act, 2013, the Commission may charge a levy on the gross annual revenues of licensed operators, which forms part of its funding. This revenue is to be shared between information communication technology development and rural communication in a ratio of one to one. The Committee observes that UCC has been collecting 2% of the gross annual revenue, 50% of which is always remitted to the consolidated fund.

The Committee notes with concern that the resources remitted to the consolidated fund from the ICT operators are not directly ploughed back to facilitate ICT development but rather form part of the total national resource envelop yet there are areas under the programme that require funding.

The Committee recommends that the levy collected by UCC in this regard be earmarked and ring fenced for purposes of ICT development and rural communication as provided for in the Uganda Communications Act.

Cost of Internet
The Committee observes the importance of indispensability of internet to the attainment of the NDP III. The Committee further notes that the cost of internet to the public sector has reduced over the years, as a result of the extension of the National Backbone Infrastructure across the country.

While cost of internet supplied by NITA-U to Government is USD 70 per mbps per month, the cost of internet supplied by other players in the industry such as the telecommunication companies remains high, at USD 237 mbps per month to the general public.

The Committee recommends that;

i. The Ministry of ICT& National Guidance through the UCC should put in place Guidelines to operationalize the National Broadband Policy

to ensure infrastructure sharing especially among the Internet Service Providers in both the private and public sector.

ii. There should be deliberate inter-programme coordination between digital information and the energy development programme to ensure that electricity is extended to most of the areas of the country as a measure to address the lack of access to electricity in some areas of the Country that has spiked the cost of internet in the past.

7.1.3 UGANDA INSTITUTE OF INFORMATION COMMUNICATION AND TECHNOLOGY

Funding for Government Sponsored Students

UICT is the official Government Institution that provides market driven and skills-based middle-level ICT training which are key to facilitating students/participants in acquiring competencies in utilization of Government Services, undertaking ICT driven businesses and job creation

UICT has been taken on for the Joint Admission Board (JAB) by Ministry of Education and Sports and so far 500 students have been enrolled pending funding. The institute requires UGX. 2.688bn to train these students.

It will be very embarrassing to Government to fail to provide funding and students miss out on benefitting from the skilling that should contribute job creation and improving service delivery through utilization of ICTs.

The Committee recommends that Government allocates the requisite UGX. 7.688bn to UICT in the FY 2022/23 for the students taken on under Government sponsorship.

Setting up a specialized training center

The Ministry of ICT& National Guidance together with the Ministry of Education and Sports (MoES) jointly prepared a concept for setting up specialized training infrastructure that can be used for facilitating improved teaching and learning for especially Science, Technology, Engineering, Mathematics and Innovation (STEMI) subjects.

UICT was identified as the target institution that shall host the specialized regional center that shall be accessed and used by other institutions and stakeholders to develop STEMI content and access equipment, laboratories and expertise, requiring the setting up and operationalization of a specialized training center and infrastructure.

The amount required for setting up specialized training infrastructure to facilitate the teaching, learning and assessment of STEMI Subjects using

Fourth Industrial Revolution Technologies (4IR) specifically Augmented, Virtual and Mixed Reality is UGX. 7.20bn.

As part of sustainability, the center will be open to the private sector (both locally and regionally) and conducted as a commercial venture and in accordance with good commercial and industrial practice, which shall generate revenue for the country.

The Committee recommends that Government allocates UGX. 7.20bn for the setting up of a specialized training center in the FY 2022/23.

7.1.4 UGANDA BROADCASTING CORPORATION (UBC)

Strengthening of the SIGNET

UBC as a public services broadcaster (100% owned by GoU) is mandated to ensure that signals for both Radio and Television reach every part of the country so as to promote national guidance activities.

The national broadcaster seeks an additional UGX. 51.12bn which funds are meant to position UBC with its 11 Radio and 4 Television brands as the most widely listened to, viewed, and accessible media outlets in the whole country.

The funds are specifically earmarked for the; Expansion of the Digital Terrestrial Television and Radio Broadcasting network; Upgrade of the existing DTT and radio transmission sites to ensure redundancy and provision of local regional program stream insertions; Deployment of alternative audio-visual signal transmission platforms; Designing and deploying a national DTT/DTH hybrid broadcast system; Enhancing television and radio studio facilities; and Digitizing, archiving and commercialization of Local Content and data.

The Committee recommends that Government allocates UGX. 51.12bn for boasting the UBC signet in the FY 2022/23.

7.1.5 POSTA UGANDA LIMITED

Revamping and operationalizing of Posta Uganda Facilities

Post Office facilities are strategically located in over 80 districts across the country and should be revamped into service centers that can be used to deliver services to the citizens in the areas closest to them.
A total budget of UGX. 7.24bn is required to; develop the Postal Policy; conduct a study on the viability of Community (last mile) Postal Networks; and support the deployment of e-services through service centers and the postal network.

The Committee recommends that Government allocates UGX. 7.24bn for the revamping and operationalization of Posta Uganda facilities across the Country in the FY 2022/23.

7.1.6 VISION GROUP

Vision Group Support to revamp Vernacular Papers (Orumuri, Etop andRupiny)

There is a need to revamp the vernacular papers to facilitate communication to the locals on Government programmes to undertake massive public campaigns and dissemination of information on Government programmes. This is in line with the directive by H.E the President on 30th September, 2021 that the Vision Group be supported to revamp its vernacular newspapers that include; Etop, Orumuri and Rupiny.

The revamping of the vernacular newspapers is projected to cost UGX. 2.90bn for full operationalization.

The Committee recommends that UGX. 2.90bn be allocated to the Vision group towards the reviving of vernacular Newspapers thereunder namely: Orumuri, Etop and Rupiny;

7.1.7 VOTE 126- NATIONAL INFORMATION TECHNOLOGY AUTHORITY-UGANDA

Extension of Connectivity to Government MDAs and LGs

The Government has over the years through the ICT sector spent USD125.8million to extend the Backbone to the MDAs/DLGs, Schools, Hospitals, Health Centers, Tertiary Institutions among others. To date, over 4000km of Optical Fiber cable (OFC) have been extended across the country. 1394 Government entities and other priority user groups have been connected to the National Backbone Infrastructure. However, as Government continues to roll out the Backbone to all MDAs/DLGs, one of the challenges that have been encountered especially with the provision of Connectivity services to the District Local Governments and other Administrative units is the inability to pay for the services due to limited funds yet the services are needed.

It is important to note that, whereas Government has over the years consolidated ICT funds (UGX15.7bln) under NITA-U to provide these services to MDAs, the number of sites connected and the demand for the services such as Internet Bandwidth, Data Centers hosting services, and software licenses and the provision of shared services have increased across Government hence the need for additional funds to be consolidated to provide these services. In the FY2020/21, Government allocated UGX15.2bln, for the provision of the above services. However, along the same FY, 53% of this Budget was again cut. This cripples the operations of NITA-U to provide shared services to Government.

Also, to note is that, the funds for the provision of the above-mentioned services especially to the District Local Governments, Sub counties, Town

Councils and now the Parish models have not been provisioned or consolidated yet NITA-U is required to provide these services to all Government entities and other Administrative service units across the country.

Therefore, to enable Government MDAs/DLGs and other target user groups to fully use the Infrastructure additional resource of 33.10bn will be required. Therefore, consolidation of funds will enable, MDAs, DLGs, TCs, MCs, and Parishes to continue using the NBI and not render it redundant since Government has already invested heavily in the development of the backbone.

The Committee recommends that Government allocates UGX. 33.10bn for the extension of Internet bandwidth to District Local Governments in the FY 2022/23.

Data Centre operations and Maintenance
The Government of Uganda through NITA-U built the National Data Centre and Disaster Recovery (DR) sites which is currently hosting a total of 169 Critical Government applications for 80 MDAs.

The establishment of the National Data Centre and Disaster Recovery (DR) sites was to consolidate all Government hosting requirements to eliminate the duplications and wastage of resources.

Over the last five years, UGX 1.165tn have been saved through centralized hosting of applications in the National Data center.

It should also be noted that the demand for hosting services has increased over the COVID pandemic. Several Government entities are now demanding to host their services in the National Data Centre which provides cloud-based services, hence the need to upgrade both the Storage, Compute and License resources which will cost UGX. 20.0bn.

The provision of these resources will enable the enhancement of the Data Centre for the continuous provision of services to more Government entities to be hosted at the same time eliminating duplication of efforts in MDAs building their respective Data centers.

The Committee recommends that Government allocates UGX. 20.0bn towards the data center operations and maintenance in the FY 2022/23.

Establishment of the Data Protection Office
In 2019, the Data Protection and Privacy Act 2019 was assented to by H.E the President. This aims to promote the protection and privacy of personal data as enshrined under article 27 of the constitution.The Act will promote increased confidence by citizens when transacting in various forms especially where they may be required to disclose their personal data.

To do this, there is need to fully operationalize the Data Protection and Privacy Act to ensure issues related to Data Protection and Privacy are handled to avoid potential loss of Government data as a result of taking these services online. Under the Act, NITA-U is required to establish a Personal Data and Privacy Office (PDPO) to implement the Act. It is estimated that this will require UGX. 5.92bn which will go towards:

NITA-U further Projects to generate UGX. 10.987bn over the next five (5) years from the Operations of the Personal Data Protection of Office (PDPO) specifically from the Registration of Data Controllers, Processors, and Collectors. In addition to that, revenues will also be generated from the accreditation of Data Protection service Providers/Practitioners, Training, Court fines, and Research among others.

The Committee recommends that Government allocates UGX. 5.92bn for the operationalization of the Data Protection Office in the FY 2022/23.

NITA-U Establishment (Human Resource)
The institution has only been able to operationalize 41.3% (76) of its approved organization structure (184) as per the IT Service Delivery Model due to limited resources for the Wage bill ceiling. The current staffing levels were achieved in FY 2020/21, when the MoFPED approved the release of additional wage funds amounting to UGX. 794,094,000 lifting NITA-U's Wage MTEF for FY 2020/21 to UGX 7.44bn.

It should be noted that for a fully operationalized structure of 184 positions, NITA-U would require a wage component of UGX. 13.931bn and a non-wage (NSSF & Gratuity) component of UGX. 4.534bn to cater for staff wages against NITA-U's current approved Wage MTEF funds amounting to UGX 7.44bn and the Non-Wage (NSSF & Gratuity) amounts to UGX 2.210bn. This therefore still points to a wage shortfall of UGX. 6.491bn and a Non-wage (NSSF & Gratuity) shortfall of UGX. 2.33bn needed to fully operationalize the NITA-U establishment.

The provision of these resources will enable NITA-U to recruit additional resources to be able to build more systems internally to support Government initiatives and save the Government from outsourcing.

The Committee recommends that UGX 6.491 billion and UGX 2.33 billion be allocated to the NITA-U to cater for wage and non-wage respectively in order to fill the staffing gaps.

7.2 COMMITTEE ON TOURISM, TRADE & INDUSTRY

Tourism Funding

International tourism space is competitive and the level of investment determines the Quantity and quality of tourists to be attracted. There is need to invest more in the sector to attract more leisure visitors who require unique tourism products which Uganda can offer due to its natural endowment compared to other countries. Leisure tourist stay longer and spend much more money.

The committee observed that the tourism sector is faced with a number of unfunded priorities worth **Shs.259.1billion** out of which the committee considers **Shs.87.24billion** as most critical (UTB (49.97Bn), MTWA (28.4Bn), UWEC (4.3), UHTTI (3Bn), UWA (2.5) and UWRTI(1.5)

The committee therefore recommends that government should provide additional budget requirement amounting to Shs.87.24Bn to the tourism sector to finance the following unfunded priorities in the table below.

Unfunded priorities for Tourism Development Program

MDA	Un/underfunded priority	Funding gap (UShs bn)	Justification
MTWA	1) Shortfalls in facilitation and subscriptions of Uganda to participate and foster her Tourism interests in UNWTO, EAC, Northern Corridor Cluster and4 Bilateral agreements and 1 international MICE tourism fair **Ushs 0.7 billion.**	**0.7**	Uganda needs to fully pay up the subscriptions in order to participate and reap benefits which include grants and Leadership positions.
	2) 10 Cities supported to profile, develop and promote tourism and prepare tourism development plans and Conditional Grants arrangement operationalized- **UGX** 3.69 **billion.**	3.69	Tourism, is labour-intensive sector, and can involve and create opportunities for all categories of people across the county. Decentralization of tourism will facilitate the mobilization of the masses and ensuring enhanced presence, awareness and development of tourism at LGs and communities. Currently, Tourism management is not decentralized at LGs. Although some LGs have recruited tourism officers, these are not facilitated to do their work. They lack computers, workspace, transport, stationery, etc. No funds to undertake activities.

MDA	Un/ underfunded priority	Funding gap (UShs bn)	Justification
	Mugaba Palace in Mbarara completed and opened as a cultural heritage tourism product	2	Tourism product development is key in enticing tourists to stay longer, spend more and even make repeated visits. Due to gaps in tourism products, an average tourist to Uganda spends on about 80% of the intended amount due to inadequate tourism products and amount. We need to continue to develop and improve tourist products to be internationally competitive. This will increase Uganda's tourism earnings and contribution to the economy. The interventions are currently underfunded. The identified products have been under development for some time and need to be completed for the country to start realizing revenue and return on investment.
	3. Complete the development of Kagulu Hills tourism site	3.6	
	4. Complete the development of Kitagata hot springs in Sheema Districtinto an internationally competitive eco adventure tourism park.	3.0	
	5. Mt. Rwenzori infrastructure developments (tourist rescue, resting and accommodation facilities, climbing ladders) completed	3.2	
	6. Construction works at Fort Portal Museum and Moroto Museum	2.0	
	7. Source of the Nile access infrastructure developed and landscaping of the core project area: Tow modern Piers completed at the Source of the Nile	4.0	
	8. Provide Skills through internship and apprenticeship programs as well as Specialized trainings in the Tourism sector including Trainings of museologists, museography, curatorship and heritage experts provided.	**2.2**	The tourism workforce needs to constantly adjust and evolve to meet the changing expectations through embracing new technologies that lift productivity, while facilitating and enhancing the visitor experience. Our industry is operating in an increasingly competitive regional and global environment. We need to have Ugandans that can compete favourably and keep or get the jobs while delivering quality services.
	9. Operationalize the Tourism Development Programme coordination and Working Group framework	**0.5**	The Programme Working group needs to be operationalized and effectively executive duties.
	10. Maintain integrity of cultural or heritage sites and monuments: Land titling, development and maintenance for 50 cultural	**1.55**	Titles are important to reduce encroachment on cultural heritage sites. Most sites are currently facing increased threats of encroachment

MDA	Un/underfunded priority	Funding gap (UShs bn)	Justification
	heritage sites. 13 Heritage Sites and Monuments of Patiko, Wedelai, Napak, Nyero, Kapir, Mukongoro, Dolwe, Barlonyo, Kakoro, Mugaba, Fort Thurston, komuge and Bigo Byamugenyi maintained. National and Regional Museums of Kabale, Soroti, and Moroto maintained and exhibits curated		and destruction. Also for a site to be proposed for nomination to be included on the World heritage list of UNESCO, it has to have a title.
	11. Enforce standards and guidelines for the implementation of Wildlife Act 2019. Formulation of regulations (wildlife resource access, traditional use of wildlife specimens, wildlife based tourism, protected area regulations, pet ownership) and upgrade of electronic CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) permitting system	**2.0**	The Wildlife Act 2019 needs to be implemented to protect the integrity of Uganda's wildlife heritage resources. Develop regulations, standards and guidelines to guide the operationalization and implementation of the Tourism Act and The Museums Act.
	Sub Total (MTWA)	**28.44**	
UWEC	12. Shortfalls in feeding and maintenance of wildlife at UWEC	4.332	There are hikes in wildlife food prices as well as wildlife numbers at UWEC due to increased human wildlife conflicts and destruction of wildlife habitats.
UHTTI	13.Operationalize the new UHTTI Staffing Structure	3.0	This is an efforts to achieve a centre of excellence that is internationally competitive in hotel and tourism training in Uganda.
UWRTI	14. Operationalize the new UWRTI Staffing Structure	1.5	This is an efforts to achieve a centre of excellence that is internationally competitive in Wildlife Research and Training. This is urgent given the need to undertake the required research to inform interventions to address wildlife management and conservation issues such as wildlife invasive species and disease outbreaks.
UWA	15. Construct infrastructure for rhino movement from Ziwa to Ajai Wildlife Reserve (	2.5	Feasibility studies were completed and Rhinos need to be moved to PAs

MDA	Un/underfunded priority	Funding gap (UShs bn)	Justification
	2.5billion)		in line with feasibility studies.
UTB	16. Shortfalls in sustaining the **deployment of Market Destination Representatives (MDRs)** and ensuring presence in 10 tourist source market including North America & Canada, Japan, China, Gulf States, UK & Ireland, German, Austria & Switzerland – **Ushs 11.66 bn**	**11.66**	UTB promotes the country in the core and emerging markets through market destination representative firms. The funding to sustain the ongoing contracts was affected by budget cuts in FY 2021/22 and there is also need to upscale these interventions and deploy MDRs to more 4 key source markets.
	17. Roll out the Pearl of Africa Brand. The development of the brand is complete and now ready for rollout – **UGX 25.65 billion**	**25.65**	The brand needs to be aggressively marketed both internationally and domestically to position the destination favourably in the minds of potential tourists in the source markets
	18. Domestic Tourism promotion events and campaigns conducted in partnership with the private sector and cultural institution to fill the gaps in demand that have been created by the reduction in international tourism and also increase and sustain domestic tourism numbers **UGX8.8 billion**	**8.8**	Strengthening domestic tourism is the 1st step to recovering the sector from the negative effects of COVID-19 given its self-sustaining elements, promotes cultural and natural conservation and promotes balanced regional development
	19. Shortfalls in enforcement and compliance to tourism standards and regulations strengthened through registering, inspecting and licensing tourism service providers. We currently have 1.7% of the 6,000 accommodation facilities across the country currently licensed by the regulator. **UGX 3.86 billion**	**3.86**	Maintaining a strong growth trajectory while delivering a memorable experience for visitors requires the industry to continue diversifying, expanding and marketing its offerings to match changing visitor expectations as well the expectations of visitors from the new source markets. Quality is key in tourism industry where referrals key. Inspection of facilities in the LGs to ensure compliance of standards; the need to develop a pool of hotel assessors certified by EAC.
	Sub-Total (UTB)	**49.97**	
	Grand Total	**87.242**	

7.2.1 UNFUNDED PRIORITIES FOR MANUFACTURING PROGRAMME

Observation ; The committee observed that the manufacturing program is faced with a number of unfunded priorities totaling to **Shs. 548.335 billion** out of which the committee considers **Shs.345.8billion** as most critical (MTIC (56.5Bn), UDC (269.4Bn), UNBS (12) and UEPB (10.96Bn).

The committee therefore recommends that government should provide additional budget requirement amounting to Shs.348.8Bn to the manufacturing program to finance the following unfunded priorities in the above.

7.2.2 MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES- SHS.53.5BN

a) **Shs.2bn** is required to implement the National Sugar Act provisions and Accreditation to Conformity Act these are new laws enacted by Parliament.
b) **Shs.6Bn** is required for acquisition of vehicles to support Ministry's fleet for coordination, Monitoring and supervision function.
c) **Shs.16.5Bn** is required for Promote rural industrialization and SME enterprise development
d) **Shs.10Bn** is required for Training the SMEs and Provision of value addition Equipment Implementation of strategic initiatives aimed at increasing national export of goods and services
e) **Shs.3Bn** is required for Strengthening cooperatives Organization into Strong sustainable network of Cooperative organization that have significant contribution to the productivity of the Country
f) **Shs.6Bn** is required for Digitalization of the Ministry of Trade, Industry and Cooperatives services to enable e - registration of cooperatives, e -licensing of industries, e- registration, expansion of the electronic single window, document management, monitoring of foreign traders, e-barcoding of Uganda products, market information and provision of infrastructure and systems to enable digital Trade. (National E- Commerce platform.
g) **Shs.10Bn** is required for the construction of Trade House which requires about for the FY 2022/23

7.2.3 UGANDA DEVELOPMENT CORPORATION (UDC) – SHS.319.4BN

a) Shs.10Bn is required for **Kyarusozi Tea:** For Master planning, civil works and procurement of machinery. Feasibility report is ready and USD 2m in foreign exchange will be earned per annum.
b) **UShs 50bn** is required for acquisituion of shares in East African Medical Vitals to manufacture medical gloves in Namanve Industrial Park.

c) **Shs.2Bn is required Mabale Tea to support** Working Capital needs. This will enhance factory performance and increase annual forex revenue from USD 2.3m to USD 4m. This will also increase the direct jobs from the current 470 to 620 jobs
d) **Shs.1Bn** is required for **Coffee grading and roasting (Greater Masaka):** Master planning, construction of access infrastructure (water, power, access road) In order to increase export of value added coffee, UDC is expected to intervene by establishing a coffee roasting and grading facility, in the greater Masaka area. It will employ 70 people directly and 700 indirectly. It will also increase the foreign exchange earned by USD 5m/annum. Currently, over 95% of coffee is exported as raw unprocessed beans, yet much of the value is derived from advanced value chains; such as hulling, grading, blending and decaffeinating.
e) **Shs.5.5bn** is required for **Coffee processing in Kampala**: foracquisition of machinery and working capital needs. In order to increase the export of processed coffee, UDC is in the process of appraising a proposal by a Turkish company that will export coffee to all Gulf Corporation Countries (GCC) and Turkey.
f) **Shs.5.5Bn** is required by **Soluble Coffee (Wakiso):** Acquisition of land, master planning, construction of access infrastructure, initial deposit on construction of factory.
g) **Shs.50Bn** is required for **Sugar factory (Luuka):** Acquisition of land, Master planning, civil works and partial deposit on equipment. The proposed 1,250 tons crashed/day factory at Luuka is expected to produce 100 tons of sugar/day and employ 350 people directly and 700 indirectly. The feasibility study has been completed.
h) **Shs.21.9Bn** is required for **Soroti Fruit factory:** Expansion of factory building, procurement of Orange line & Blow Molding machine, Construction of Effluent water treatment plant, support to the Cooperative Union and working capital
i) **Shs.10Bn** is required for **Masaka Fruit Factory:** Acquisition of land, Master planning, construction of service infrastructure, initial deposit on civil works, and initial deposit on machinery. This will enhance value addition on locally produced fruits in the area and create 75 direct jobs and 2000 indirect jobs.
j) **Shs.10Bn** is required for **Cocoa processing plant in Bundibugyo district:** Acquisition of land, Master planning, construction of service infrastructure, initial deposit on civil works, and initial deposit on machinery.
k) **Shs.30Bn** is required for Grains Value addition: Acquisition of shares for working capital needs and expansion this is in order to increase the country's exports in the grain subsector and improve quality of grain exports.
l) **Shs.10Bn** is required for Packaging: Master planning, construction of service infrastructure, initial deposit on civil works, and initial deposit on

machinery. This will address the challenge of packaging material of different industries in the country.

m) **Shs.4Bn** is required for Acquisition of shares for working capital needs **in the Steel processing facility: This is intended** to add value to the large deposits of Iron ore found in Kabale, Rubanda and Kisoro districts. This is in line with the current policy that limits exportation of iron ore.

n) Shs.50Bn is required for Moroto Ateker Cement Factory for Civil works. This is a key transformative project for the Karamoja sub-region.

o) **Shs.60Bn** is required for Investment in Road Construction: Acquisition of shares for working capital needs. To increase local capacity in the road construction industry, UDC intends to capitalize two local construction companies to undertake road projects that have already been allocated to them. This will increase local participation in the road construction industry and increase the share of local companies from about 4% to 10% of total trunk road expenditure

Medical Gloves Manufacturing facility

The committee was informed that UDC is in the process of appraising Medical Gloves Manufacturing facility in Namanve industrial park. Sha.50Bn is required to purchase share in East African Medical Vitals. This is the only medical glove making facility in east African that will provide several jobs and save the country from importation of medical gloves in order to promote government strategy of import substitution.

The committee recommends that government should allocate Shs.50Bn to UDC to purchase share in East African Medical Vitals for working capital purposes.

7.2.4 NATIONAL BUREAU OF STANDARDS (UNBS)- Shs.12Bn

Shs.12Bn is required to Recruitment of additional 200 Staff for; there is increased demand for UNBS Services and staff are over stretched. The compliance levels of products on the market to quality standards remains very low and there need for strengthen enforcement. UNBS Generates Non Tax Revenue (NTR) of approximately 45 Billion per Annum and additional staff is an investment which will translate to higher NTR.

7.2.5 UGANDA EXPORT PROMOTIONS BOARD (UEPB) – Shs.10.96B

Shs.10.96Bn is required to implementation of National Export Development Strategy to reduce trade deficits.

The Committee recommends that the funding gap of UGX 548.885bn highlighted in the table below be provided to the Trade and Industry Sector.

Details of Unfunded Priorities for Trade and Manufacturing Program

MDA/ institution	Under/Un funded Priorities	Funding gap (UGX Bn)	Justification
MTIC	Implementation of approved Policies and Strategies under the sector (i) Implement the national Sugar Act provisions requires (ii) Implementation of Accreditation to Conformity requires Ugx 2 Bn and (iii) Other Policies as listed	**2**	The Implementation of these policies will improve the performance of trade sector with its overall benefits to the economy. Support for coordination and monitoring implementation of approved sector Policies, strategies and laws such as Industrial Policy, National export Development strategy, BUBU, Cotton and Textiles Apparels Strategy, Sugar Act and Accreditation for conformity assessment, among others to strengthen the sector and product competiveness.
	Acquisition of vehicles to support Ministry's fleet for coordination, Monitoring and supervision function.	**6**	The Ministry current fleet is aging and have become in efficient. The Ministry cannot effectively carry out visits to the sites, the Operation and maintenance cost of the old vehicles is high and experience frequent breakdown and high cost of maintenance The money will be used to procure Ten Double Cabin Pickups and Four Station Wagons for the Ministry activities
	Promote rural industrialization and SME enterprise development Training the SMEs Provision of value addition Equipment Improving product Quality and	**16.5**	Greater improvement in the range of services and products that can compete in the local and foreign Markets. Job creation for the population SMEs require capacity development through training and facilitating enterprises and

	standards for SMEs Facilitate SME Participation in National and international expos.		communities to access and acquire machinery and equipment for improve their competitiveness and productivity. This will increased employment/jobs, incomes of households, reduce postharvest losses and participation of the indigenous people in the national industrialization programme andensure inclusive growth
	Implementation of strategic initiatives aimed at increasing national export of goods and services. i. Negotiations of international market access Protocols that guarantee Uganda preferential (Duty Free & Quota Free) market access - such as the EAC, COMESA, African Continental Free Trade Area ii. Support to, and building capacity of the private sector to meet market requirements of export markets with respect to quantity and quality – including Standards, and Sanitary and Phyto-Sanitary (SPS) Measures; Operations of the National SPS/Technical Barriers to Trade (TBT) Committee; and providing them with information on the market requirements iii. Execution of Trade Facilitation measures to reduce the cost of doing business through expedited international trade processes, border agency coordination,	**10**	Key activities that have direct impact on Uganda's access to international markets remain unfunded, yet Uganda is investing in increased production in Industry and Agriculture. Lack of markets negates further investment in production and curtails national development, hence the need to invest in activities that enhance the country's access to international markets. These will result into Increased export earnings and further consolidation of macroeconomic stability through reduced trade deficit Stimulation of increased production to satisfy market demands, ultimately leading to job creation

	Electronic Single Window, Trade Information Portal, and implementation of the World Trade Organization Agreement on Trade Facilitation iv. Increased marketing of Uganda's Goods and Services through regular participation in international trade fairs and exhibitions v. Internal inter-institutional coordination, and regional engagements to expeditiously address Non-Tariff Barriers (NTB) to trade that threaten Uganda's potential in regional markets		
	Strengthening cooperatives Organization into Strong sustainable network of Cooperative organization that have significant contribution to the productivity of the Country	3	Cooperative Organizations have a long history of being production centres. The Cooperatives require capacity development inform of good governance for steering bulk production processing and marketing for sustainable production for industrialization through regular surveillance and corporate Strengthening of PDM SACCOS in governance, leadership, effective Management, regulatory and compliance issues. Awareness Creation and Skills Development for Cooperatives Thorough Supervision audit function support to the PDM task force

	Digitalization of the Ministry of Trade, Industry and Cooperatives services to enable e - registration of cooperatives, e -licensing of industries, e- registration, expansion of the electronic single window, document management, monitoring of foreign traders, e-barcoding of Uganda products, market information and provision of infrastructure and systems to enable digital Trade. (National E- Commerce platform)	6	There is urgent need to use ICT to meet the increasing demand for real-time and Online services especially in facilitating the management of Cooperatives, industries, trade facilitation, provision of trade information and licensing. Reducing cost of doing Business and hence competitiveness Digital Trade/E commerce is essential to address the challenges caused by the COVID 19 Pandemic
	The construction of Trade House which requires about Ugx 10 billion for the FY 2022/23.	**10**	The Ministry intents to start the construction of the Trade house in a phased manner. This to reduce on the cost of Rent to the Ministry in the Long run There is shortage of office space and facilities for engaging clients and stakeholders of the Ministry. The land for this project is already available at management Training and Advisory Centre MTAC
	Sub Total	**56.5**	
UDC	**Kyarusozi Tea:** Master planning, civil works and procurement of machinery	10	In the tea subsector in Uganda, there is a gap of 18 processing lines as a result of increasing production and productivity following the interventions of MAAIF, OWC and NAADS. The factory will consume 45,000kg of green leaf per day from small holder farmers. This is expected to create 150 direct jobs and 2,500 indirect jobs. It is expected to earn USD 2m in foreign exchange per annum. The feasibility study has already been done.

	Mabale Tea: Working Capital needs.	2	This will enhance factory performance and increase annual forex revenue from USD 2.3m to USD 4m. This will also increase the direct jobs from the current 470 to 620 jobs.
	Coffee grading and roasting (Greater Masaka): Master planning, construction of access infrastructure (water, power, access road)	1	In order to increase export of value added coffee, UDC is expected to intervene by establishing a coffee roasting and grading facility, in the greater Masaka area. It will employ 70 people directly and 700 indirectly. It will also increase the foreign exchange earned by USD 5m/annum.
	Coffee processing – Kampala: Acquisition of machinery and working capital needs	5.5	In order to increase the export of processed coffee, UDC is in the process of appraising a proposal by a Turkish company that will export coffee to all Gulf Corporation Countries (GCC) and Turkey.
	Soluble Coffee (Wakiso): Acquisition of land, master planning, construction of access infrastructure, initial deposit on construction of factory.	5	The country exports most of its coffee with minimal value addition and imports finished products (instant coffee). To address this gap UDC is working with UCDA to establish a soluble/instant coffee plant. UDC and UCDA are currently undertaking a feasibility study.
	Sugar factory (Luuka): Acquisition of land, Master planning, civil works and partial deposit on equipment.	50	The current production of sugar cane in Busoga sub region is estimated at 7m tons per annum, while the current installed crashing capacity is estimated at 4.5m tons per annum leaving more than 2.5m tons unprocessed. The proposed 1,250 tons crashed/day factory at Luuka is expected to produce 100 tons of sugar/day and employ 350 people directly and 700 indirectly. The

			feasibility study has been completed.
	Soroti Fruit factory: Expansion of factory building, procurement of Orange line & Blow Moulding machine, Construction of Effluent water treatment plant, support to the Cooperative Union and working capital	21.9	In order to increase off take of farmer's fruits in the Teso sub region and surrounding areas, there is need to expand the processing capacity of Soroti Fruit Factory. In a good fruiting season the factory can only off take 5% to 10% of farmer's produce, especially Oranges.
	Masaka Fruit Factory: Acquisition of land, Master planning, construction of service infrastructure, initial deposit on civil works, initial deposit on machinery.	10	UDC, in collaboration with NAADS, are in the process of establishing a 24,000 metric tons/annum of pineapples and 10,000tons/annum of mango processing facility. This will enhance value addition on locally produced fruits in the area and create 75 direct jobs and 2000 indirect jobs.
	Cocoa processing plant: Acquisition of land, Master planning, construction of service infrastructure, initial deposit on civil works, initial deposit on machinery.	10	Uganda produces a lot of cocoa and almost 100% is sold as beans, with minimal value addition. On the other hand, the country imports finished cocoa products. In order to increase value added export of cocoa, UDC is currently carrying out a feasibility study to establish a cocoa processing facility in Bundibugyo district.
	Grains Value addition: Acquisition of shares for working capital needs and expansion	30	In order to increase the country's exports in the grain subsector and improve quality of grain exports, UDC is in the process of appraising three local companies, with an aim of expanding their operational and value addition capacities.
	Packaging: Master planning, construction of service infrastructure, initial deposit on civil works, initial	10	To address the challenge of packaging material of different industries in the country, UDC in collaboration with NPA is in

	deposit on machinery.		the process of doing a feasibility study to establish a facility to produce packaging material in the country.
	Steel processing facility: Acquisition of shares for working capital needs	4	UDC is in the process of appraising a steel processing facility in Mbarara, to add value to the large deposits of Iron ore found in Kabale, Rubanda and Kisoro districts. This is in line with the current policy that limits exportation of iron ore.
	Moroto Ateker Cement Factory: Civil works	50	A lot of preliminary work has been undertaken in terms of exploration studies and acquisition of industrial land. UDC in collaboration with the partners, are in the process to establish a three-line processing facility for lime, cement and marble. The project is in the final stages of acquisition of a mining lease and the start of the construction phase. This is a key transformative project for the Karamoja sub-region.
	Investment in Road Construction: Acquisition of shares for working capital needs	60	To increase local capacity in the road construction industry, UDC intends to capitalize two local construction companies to undertake road projects that have already been allocated to them. This will increase local participation in the road construction industry and increase the share of local companies from about 4% to 10% of total trunk road expenditure.
	East African Medical Vitals Acquisition of shares for working capital needs	50	*Acquisition of Shares for working capital needs*
	Sub Total	***319.4***	

UGANDA NATIONAL BUREAU OF STANDARDS **(UNBS)**	Recruitment of additional 200 Staff for; i. Deployment in unmanned Borders and Entry Points for control of imported commodities ii. Monitoring & Enforcement of Quality Standards on the Market and factory outlets iii. Decentralization of UNBS Services to Regional Offices of Gulu, Mbale & Mbarara iv. MSME Support, Training and Certification of Local products under BUBU v. Testing and analysis of product samples in Laboratories for safety vi. Development and Harmonization of National and Regional Standards vii. Verification of Weighing and Measuring Equipment on the Market to protect consumers. viii. Calibration of Industrial Equipment for accuracy in measurements	**12**	i. There is increased demand for UNBS Services and staff are over stretched ii. The compliance levels of products on the market to quality standards remains very low and there need for strengthen enforcement. iii. UNBS presence in other parts of the Country is low and therefore need to increase visibility and presence iv. UNBS in not manning most of the Entry Points and Borders and substandard imported goods are easily smuggled Boarder in to the country. v. Uganda Products are having challenges of accessing export markets due to inadequate Quality assurance mechanism vi. MSMEs require significant capacity building and support to implement Quality Standards vii. UNBS Generates Non Tax Revenue (NTR) of approximately 45 Billion per Annum and additional staff is an investment which will translate to higher NTR. viii. UNBS currently has 440 Staff compared to URA with over 3,000 staff yet they work together to control imports.
	Sub Total	***12***	
UEPB	(i) National campaign on export-oriented production	***0.532***	Trade performance reviews and assessments have indicated the agricultural

	and marketing		sector is still unable to consistently meet the quality and quantity requirements of export markets. This is a key limiting factor to growth of Uganda's agricultural exports and agro-industrialization. UEPB will therefore coordinate a nationwide campaign on market-oriented production, value addition and marketing. Key activities/outputs include: i. Nation-wide awareness and sensitization campaigns on 'market-led' agricultural production (producing for the export market) ii. Agro-industrialization awareness campaigns iii. Good post-harvest management campaigns Good packaging practices for export and branding
	(ii) Developing and marketing Uganda's services as exports	***1.15***	The service sector is the biggest of the three (3) broad sectors of the economy (agriculture, industry and services) accounting for 47.8 percent of total output in FY 2017/18. (*Ministry of Finance, Planning and Economic Development, Background to the Budget FY 2017/18*). UEPB will spearhead actions to develop export of services as a way of boosting the sector's growth further. Key activities/outputs will include: i. Database of service providers ii. Establishing and supporting UEPB relations with service sector associations iii. Developing a handbook / manual

			on exporting services iv. National campaign to create awareness about service exports v. Training companies on how to export services vi. Organizing companies to attend international services trade events vii. Organizing annual services exporters conferences, fairs and awards
	(iii). Promote Uganda's participation in target international market promotion events	***1.42***	UEPB has prioritized eight (8) markets for FY 2022/23. This selection is based the market prioritization in the National Export Development Strategy, National Development Plan and the Export Action Plan, which sets out specific strategic interventions. The focus is on aggressively promoting and marketing Uganda's products (goods and services) to sustain and grow Uganda's share of the target markets. These markets include; i. The regional markets of DR Congo, Kenya, Tanzania and Rwanda for both manufactured and agricultural products ii. China, UAE and the European markets (Netherlands, Germany, UK and Italy) for agricultural products. Key activities including: i. Pre-event preparations – including selection of products and companies and trainings of participants ii. Participation in the target events Business-to-business meetings and post-event interactions

	(iv). Buyer-seller missions to target markets	*2.52*	These missions are important for; i. Establishing and strengthening relationships with buyers (potential and current) ii. Selling and promoting products and evaluating buyer reactions iii. Evaluation competitors and competitor activities in the market iv. Deeper understanding of the customer/consumers and their environment For FY 2022/23 the market of Kenya, DR Congo, UK, China, UAE and Italy are targeted. Key activities include: i. Market scoping studies focusing on target buyers and export products ii. Arranging and conducting the buyer-seller missions Providing follow-on support to execute the contracts
	(v). UEPB building capacity of missions to promote commercial diplomacy	***1.512***	The government has started the programme of supporting commercial diplomacy as an approach of increasing exports, tourism and attracting FDI. Currently, UEPB does not have offices in the target markets to gather the required market intelligence, promote exports and help exporters doing business in those markets. Working with MoFA, UEPB is adopting the approach of building the capacity of Ugandan missions in those markets to promote commercial diplomacy, including market intelligence and export promotion

			Key activities will include: i. Training of mission staff in target markets of Kenya, Rwanda, India, China, UAE, UK and Brussels ii. Setting up of product display and information centres in the missions Developing standard information collection tools and systems to be used by the missions
	(vii). Implementation of the National Export Development Strategy (NEDS) and the National Export Action Plan	**0.412**	UEPB is tasked with facilitating and coordinating export development and promotion activities. The NDP, NEDS and Action Plan are the key guiding frameworks. It is UEPB's role therefore to: • Coordinate and monitor MDAs and private sector activities that increase exports • Regularly meet with implementing MDAs to exchange ideas and collaborate actions Visit and monitor implementers of export activities including producers, processors and manufacturers
	(viii). Export product development	**1.215**	After *Export Readiness Assessment* of companies, UEPB will undertake the following: i. Assistance and advise on packaging, product size, design, labelling, branding, quality and standards to meet market-entry requirements ii. Link companies to UNBS, UIRI, MAAIF and other regulatory agencies for conformity and compliance related services and support iii. Handholding

			companies and supporting them to negotiate contracts with buyers Assisting companies to execute export contracts
	ix). Communication, awareness and outreach	0.46	UEPB routinely disseminates information and provides services to all exporters regardless of location and status. To maintain this outreach and linkage, UEPB requires: i. Client Relationship Management (CRM) system ii. Toll Free Helpline iii. An effective and efficient website that provides information and services that exporters require including; E-training materials tailored for SMEs Product and Service Catalogs Product Profiles Directories of exporters, service providers and importers Information on tenders and other market opportunities
	(x). Exporter Aftercare Services	0.95	i. UEPB strengthening buyer-seller relations ii. UEPB resolving buyer-seller transactional and relational issues iii. UEPB establishing relationships (MoUs) with target market government agencies (customs, standards bodies and other regulators)
	Sub Total	**10.96**	
	Grand total	**548.335**	

Inadequate funding for Uganda Export Promotion Board

The Committee observed that NDPIII highlights export promotion and import substitution, as one of the key development strategy. The NDP III further stresses that, "An export-oriented strategy is important as a means of increasing Uganda's foreign exchange earnings, which will in turn play a significant role in financing development projects and repaying external debts."

The Committee also observed that the National Budget Framework Paper presents UGX 10 billion budget requirement by the Uganda Export Promotions Board, to implement the National Export Development strategy.

The Committee further recommends that Government provides UGX 10 billion to the Uganda Export Promotions Board; to enable it conduct export promotions and marketing activities. This is in the bid to implement the Government strategy of import substitution and export promotion.

Unplanned Capitalisation of Uganda Development Corporation (UDC)

The committee observed that Uganda Development Corporation capitalisation has on several occasions been done in unplanned way through supplementary budgets. In the FY 2022/23, Shs.100Bn is required to capitalise UDC to invest in key government strategic undertakings however, this has remained unfunded priority in the National Budget Framework.

The committee recommends that government should provide Shs.100Bn capitalisation to enable UDC to embark on a number of strategic projects that would lead to industrial and economic development of the country.

7.3 COMMITTEE ON EDUCATION, AND SPORTS

7.3.1 VOTE 013-MINISTRY OF EDUCATION AND SPORTS

Teachers' Scheme of Service

The Committee observes that the issue of promotion of Grade III teachers continues to appear as unfunded and this has greatly demotivated teachers who have served for long, upgraded their studies to degree but not promoted. The Ministry has a proposal to promote a total of 50 Grade III teachers in every district and Municipality and needs UShs 6.708bn to implement this. The Committee further observes that there is need to promote teachers in Secondary school who have upgraded to degree and masters but have not been promoted to Assistant Education Officers; and these are 1,446 and they require UGX 3.553bn

The Committee recommends that MFPED allocates the MoES an additional UShs 6.708bn to affect the primary teachers' scheme of service

and Ushs 3.553bn to promote the Secondary teachers to Assistant Education Officers.

Recovery from COVID -19 Disruptions

The Committee observes that the MoES has prepared a Covid -19 Response plan to support recovery of learning. However a funding gap of Ushs.481.57bn is outstanding, out of which Ushs. 157bn is required for FY 2022/23

The Committee recommends that MFPED allocates MoES Ushs 62.62bn for renovation and minor repairs of 12,317 primary schools at a unit cost Ushs 4.5m and 1,139 secondary schools at a unit cost of Ushs 5.74m and Ushs. 3.12bn for renovation OF 142 TVETOM, 20 HET, AND 46TETD to be supported with Ushs 15m each.

Establishment of Education Institutions as per the MoES Policy

The Committee observes that the MoES lacks adequate funding to implement the Government policy of 1 Primary School per parish, 1 secondary School per sub county and 1 TVET Institution per constituency.

The Committee recommends that MFPED allocates additional Ushs 14.958bn to the MoES for grant aiding of 15 primary schools, 6 secondary schools and 4 Vocational Institutes.

Inadequate Capitation Grants for TVET Institutions

The Committee observes that the current funding for trainees in TVET Institutions is below minimum standards, the capitation grant per trainee is extremely low at Ushs 1,800 for their welfare.

The Committee recommends that the capitation grant per trainee be revised to Ushs 9,000 to cater for their welfare and this would result into an additional allocation of Ushs 16.830bn to cater for capitation grant.

Inadequate funding for Nakawa Vocational Training Institute

The Committee observed that the Institute was grappling with the increased number of students in the workshops, thus asserting pressure on the structures and limited equipments and tools. It was further noted that the Institute was upgrading to the College Status thus need for ICT infrastructure development and upgrade the staff remuneration.

The Committee recommends that Institute is supported by having an additional allocation of Ushs 5.5bn to cater for the increased number of students to the total of 3000 students and training in ICT and acquiring the equipment and tools for the workshop in line with SOPS.

7.3.2 HIGHER EDUCATION STUDENTS FINANCING BOARD-HESFB

Inadequate funding to support 3,000 students in FY2022/23

The Committee observes that HESFB lacks enough funds to offer loans to majority of the needy students that apply to the Board for Higher Education funding. In FY2022/23, the Board would like to support 3,000 students at UShs 12.390bn however, only UShs 5.750bn is available in the budget and this can only support 1,419 students leaving out 1,581 students due to a funding gap of UShs 6.640bn.

The Committee recommends that MFPED allocates the Board an additional UShs 6.640bn in order to support more 1,581 students' access higher education through loans.

Inadequate funding to improve the Integrated Loan Management System (ILMIS)

The Committee was informed that HESFB needs an additional UShs 2.5bn to finalize the upgrade of the integrated Loan Management System to include other modules like accounting, HR etc. If implemented this will ease business processes at the Board.

The Committee recommends that MFPED avails HESFB an additional UShs 2.5bn to finalize the upgrade of the ILMIS.

7.3.3 DIRECTORATE OF INDUSTRIAL TRAINING-DIT

Inadequate funding of the lower secondary curriculum delivery

The Committee observes that DIT has got critical unfunded areas most especially activities in relation to the Lower Secondary Curriculum since the first assessment is due in 2023 and these include;

i. Printing and distribution of 78 assessment training packages for the Lower Secondary Curriculum to 5,502 schools-Ushs 7,080,680,000
ii. Balance on the completion of 78 Assessment Training Packages for Lower Secondary Curriculum-out of Ushs 5.21bn only Ushs 4bn was availed leaving a balance of Ushs 1.21bn.
iii. Printing and distribution of the 40 Assessment Training Packages for Lower Secondary Curriculum-UShs 3,961,440,000.
iv. Balance on the development of 40 additional Assessment and Training Packages for Lower Secondary Curriculum-out of Ushs 5.520bn only Ushs 4bn was availed leaving a balance of Ushs 1.520bn.
v. Capacity building of 44,016 Secondary School teachers on ATP and Competence Based Education and Training (CBET)/Assessment-UShs 11,444,160,000.
vi. Capacity building of 16,506 Secondary School administrators-UShs 5,282,220,000.

vii. Development of ATP prototype to guide Publishers and Teachers for 78 and 40 Occupations-UShs 4,466,000,000

viii. Registration, Assessment and certification of 180,000 S.3 candidates. Ushs.14, 400,000,000.

ix. Construction of a new building (Printery, information and management system etc. Totaling Ushs 7,150,000,000

The Committee recommends that MFPED allocates DIT an additional Ushs 54.3bn for the unfunded and yet critical activities as stated above to ensure the full implementation of the Lower Secondary Curriculum.

7.3.4 EXAMINATION BOARDS

Uganda Allied Health Examinations Board-UAHEB

The Committee observed that several examinations were conducted in FY2021/22 due to the staggered reporting of students to school in order to comply with the SOPs occasioned by COVID-19 pandemic and this led to an unforeseen increased cost in conducting examination. The total amount required to conduct all exams up to end of FY2021/22 is UShs 16,560,000,000 for 46,000 students compared to the budgeted amount of UShs 12,841,305,363 there by leaving a budget shortfall of UShs 3,718,694,637

The Committee recommends that MFPED allocates UAHEB an additional UShs 3,718,694,637 to cover additional examinations costs due to COVID 19 effects.

Inadequate funding

The Committee observed that the Board is inadequately funded and requires an additional 2.040bn for recruiting additional 15 Staff, retooling 500 examiners, installation and commissioning of lifts, computers and office equipment and additional examinations management expenses.

The Committee recommends that the Board is allocated additional Ushs 2.040bn to help them address their budget short falls.

7.3.5 VOTE 165 UGANDA BUSINESS AND TECHNICAL EXAMINATIONS BOARD (UBTEB)

The Committee observes that the construction of the assessment center was delayed by the Covid 19 lock down. The assessment center is critical for security of examinations and will house the live items warehousing, printery and test workshops.

The Committee recommends that MFPED allocates UBTEB an additional UShs 6bn as part funding for the construction of the assessment center.

Uganda Nurses and Midwives Examinations Board-UNMEB

The Committee observes that in FY2022/23, UNMEB has got inadequate funding; in FY2021/22 UNMEB requested for supplementary funding of UShs 7,506,247,040 to enable it conduct examinations for 35,000 students as per the Ministry of Education calendar however the expected budgetary estimates for FY2022/23 have a budget deficit of UShs 5,697,051,310.The Board also needs additional UShs 8,350,000,000 for continued construction of office block, simulation skills laboratories, conference facilities, resource center and confinement hostels.

The Committee further observes that the Board requires an additional Shs 15.952bn in order to streamline regulate and coordinate examinations and awards in the nursing and midwifery profession in Uganda.

The Committee recommends that MFPED allocates the Board an additional UShs 5,697,051,310 to cover additional examinations costs incurred and UShs 8,350,000,000 to continue with the construction of the office block which was started in FY2021/22.

The Committee further recommends that the Board is allocated an additional Shs 15.952bn to cater for proper management of examinations to establishment of resource centre, training of examiners and conducting of research.

7.3.6 VOTE 128 UGANDA NATIONAL EXAMINATIONS BOARD-UNEB

The Committee observes that UNEB has got inadequate funding which eventually incapacitates its ability to deliver on its mandate; The Board requires an additional UShs 15.5bn to enable the Board conduct examinations while observing SOPs, and Shs3.25bn to enhance the marking rates of the examiners, UShs 6.5bn is needed for the Board to implement NAPE as envisaged in the HCD-PIAP but no funds availed and UShs 5.0bn required for training teachers and equipping them with the necessary technical tools and procedures required for continuous assessment as is envisaged in the new lower Secondary Curriculum.

The Committee recommends that MFPED allocates UNEB an additional UShs 15.5bn as extra funding for examinations. UShs 6.5bn to enable the Board carry out NAPE which has not been done for over five years now and UShs 3.25bn for the Board to increase the rates paid to the examiners, Ushs 5.0bn to train teachers and retool them in regards to continuous assessment under the new lower secondary curriculum.

7.3.7 VOTE 132 EDUCATION SERVICE COMMISSION-ESC

The Committee observes that the Commission continues to grapple with issues of adequate office space and awaits the Ministry of Education and Sports to allocate it land where they can construct their offices. The Commission also needs additional funding of UShs 0.230bn for undertaking support supervision to District Service Commission and research in order to make informed policy recommendations to government.

The Committee recommends that MoES expedites the search and allocation of land to ESC to enable the Commission start the process of constructing their offices.

The Committee further recommends that MFPED allocates the Commission an additional UShs 0.230bn to enable the Commission undertake support supervision to District service Commission.

7.3.8 VOTE 122 KAMPALA CITY COUNCIL AUTHORITY-KCCA

UPE and USE/UPOLET Capitation Grants

The Committee observes that whereas the adjustment of the unit cost for the UPE and USE/UPOLET capitation grants was effected for all local Governments in FY2019/20 UShs 1.3bn for KCCA was never effected even after a confirmation by PS/ST MFPED that the adjustment in allocation would be effected in FY2020/21.

The Authority requires additional seed schools in the city given the increasing number of learners hence exerting pressure on the few existing one. Additional UShs 2bn is required by the Authority for renovation of Ggaba Demonstration School and removal of asbestos at Nakivubo Settlement P/S and Mengo P/S to ensure the safety of learners.

The Committee recommends that MoES works closely with KCCA in ensuring that more seed schools are built in the city to address the issue of the growing number of learners and given the fact that it's not easy to access 5 acres of land in the city as the requirement for constructing a seed school require, however this should not disadvantage the learners from accessing quality education.

The Committee further recommends that KCCA be allocated an additional UShs 2bn for renovation of Ggaba Demonstration School and removal of asbestos at Nakivubo Settlement P/S and Mengo P/S to ensure the safety of learners.

7.3.9 VOTE 164 NATIONAL COUNCIL FOR HIGHER EDUCATION-NCHE

Inadequate funding for the Council to execute it mandate

The Committee observes that the Council has not been adequately funded for it to effectively discharge its duties as the regulator for higher education.

The Council has a budget shortfall of UShs 5.813bn where UShs 1bn is needed to recruit an additional 16 staff in FY2022/23 required for the Council to effectively discharge its core functions, UShs 0.813bn is required to strengthen the function of recognition and equating of qualifications by migrating the function to online mode and to sensitize the public about the change and UShs 4bn that is needed for the Council to construct its main building which will house a resource center, video conferencing facility, disaster recovery center and research hub that will support higher education institutions.

The Committee recommends that MFPED allocates NCHE an additional UShs 1.813bn for it to effectively discharge its duties as a regulator for higher education where UShs 1bn is for additional staff, UShs 0.813bn is for online mode of recognition and equating qualifications.

7.3.10 VOTE 111 NATIONAL CURRICULUM DEVELOPMENT CENTER-NCDC

Review of CBET Curricular for TVET Modula assessment

The Committee observes that modularization of TVET programmes is essential for successful execution of the HCD-PIAP intervention "Rollout the modularized TVET curricular for all formal TVET programmes as to attain a flexible demand driven TVET system in Uganda". NCDC plans to modularize 63 programmes in a phased manner for 3 years at UShs 3bn annually but these funds are not included in the budget estimates for FY2022/23.

The Committee recommends that MFPED allocates NCDC an additional UShs 3bn for modularization of the TVET programmes as envisage in the NDP III.

7.3.11 VOTE 166 NATIONAL COUNCIL OF SPORTS-NCS

Inadequate funding to NCS

The Committee observes that budget cuts experienced in FY2020/21 affected the operational activities under NCS and crippled preparatory activities under various sports disciplines. UShs 7.1bn was deducted from the previous budget of UShs 25.5bn in FY2020/21 to UShs 18.4bn. However, NCS informed the Committee that the PS/ST reinstated the budget to UShs 25.5bn through a letter dated 19th November 2021.

The Council requires an additional funding budget of UShs 78.1bn to cover its budget shortfalls for FY 2022/2023. These funds will be utilized for the development of sports facilitiesacross the country.

The Committee recommends that MFPED reinstates that budget of NCS for FY2022/23 to UShs 25.5bn as per the letter dated 19th November 2021.

The Committee recommends that MFPED avails NCS an additional budget of UShs 78.1bn to cover the budget shortfalls of the council in FY 2022/2023.

7.3.12 PUBLIC UNIVERSITIES

Understaffing and high staff turnover:
The Committee observes that most Public Universities are grossly understaffed, with staffing levels as low as 30% in some Universities/Colleges especially the new ones. This has created challenges of students moving to the next academic year without lecturers for that year case in point is Soroti University that does not have lecturers for third year medical students the University needs an additional UShs 5.957bn to address shortfalls in wage. Most of these Universities resort to part timers to fill the gap which in turn burdens their recurrent non-wage budget.

Lira University has a staffing level of 26.9% and yet there is a general ban on Universities on recruitment. Kabale University has 19% staffing levels and highly relies on part timers. Kyambogo University requires UShs 16bn to raise its staffing level to at least 50%.

The Committee further observes that Public Universities, especially the old ones face a problem of high staff turnover to the new Universities due to the non-adjustment in their wage bill for years and thereby keeping staff un promoted for a long time and this is largely caused by the ban on recruitment of staff which would have enabled the older ones move to a higher grade.

For example Makerere University needs UShs 5.6bn to promote its staff and once this is cleared it would need an additional UShs 2bn each financial year.

The Committee recommends that government commits to availing funds to the tune of UGX 40bn to address the persistent problem of under staffing in the public Universities.

The Committee further recommends that Ministry of Education and Sports works with Ministry of Public Service to address the issue of staff promotions at Public Universities especially at the old Universities with a view of reducing on the high staff turnover rate.

Harmonization of government scholarships for Higher Education under the HESFB.

The Committee observes that the Ministry continues to ignore the Committee's proposal to operationalize section 42 of the HESFB Act which provides that:

"All scholarships currently offered by the Government of Uganda including bilateral scholarships, existing immediately before the commencement of this Act shall vest in the board."

Having all funds meant for higher education in a single basket at the Higher Education Student's Financing Board would enable a number of students access higher education especially the needy ones who ideally would not afford.

The Committee recommends that funds allocated to government students as scholarships and grants be pooled together under the HESFB as envisaged under section 42 in order to avail adequate funds for a number of students to access higher education.

Inadequate Research Funds to Universities

The Committee observes that Makerere University received a research Grant of UShs 30bn from Government and that all the other public Universities have to write proposals for approval by Makerere University if they are to access these funds.

The Committee notes that the other public Universities hardly have any research funds and yet a University basically grows with the number of researches carried out at that particular University.

The Committee recommends that MFPED avails a Grant of at least UShs 5bn to each of the public University for the start to support their research and innovation function.

Harmonization of the unit cost of a programme and admission at Public Universities

The Committee observes that it has on a number of occasions recommended for the harmonisation of the unit cost of a programme and admission across Public Universities however, the recommendation is never implemented. Different Public Universities continue to have different costs for similar programmes run and further more they continue to have different admission dates and this greatly affects the work of the HESFB in regards to the unit cost of a programme and securing admission letter for the loan applicants.

The Committee recommends that Ministry of Education and Sports through its entities like NCHE clearly guides on the unit cost of each

programme offered in the Public Universities Countrywide and this should go hand in hand with the earlier recommendation of a centralised admission system for all Universities.

7.3.13 VOTE 301 MAKERERE UNIVERSITY

Inadequate funding for rehabilitation of dilapidated infrastructure in Makerere University

The Committee notes that some Public Universities are still grappling with the issue of dilapidated infrastructure especially the old ones like Makerere University which endangers the lives of students, for example,Mary Stuart and Lumumba Halls need urgent rehabilitation and an over haul of sewer lines that were constructed more than 50 years ago. The University continues to prioritise infrastructure maintenance within the limited resources available. The University has an unfunded priority of UShs 80bn to refurbish these facilities.

The University would like to set up a Students and Business Innovation Center which will act as a linkage for all research carried out at the University where research ideas can be further developed to address the challenge of unemployment if availed funds the University requires UShs 80bn to construct the Center.

The Committee recommends that MFPED allocates UShs 15bneach financial year in the next MTEF period towards the rehabilitation of dilapidated Halls of residence at the University.

7.3.14 VOTE 306 MUNI UNIVERSITY

Inadequate funding to Muni University

The Committee observes that Muni University continues to suffer issues of underfunding and always seeks supplementary budgets due to the limited non-wage budget it's allocated. The Committee notes that its wage budget grew to UShs 14.599bn in FY2020/21 from UShs 10.672bn in FY2019/20, however there was a minimal increase in non-wage component from UShs 3.883bn to UShs 4.907 bn hence the continuous supplementary requests each financial year and this has further been reduced by UShs 0.046bn in FY2022/23to UShs 4.861bn.

The Committee further notes that out of a development budget of UShs 7.2bn for FY2021/22 only UShs 0.331bn had been released by end of half year which is only 4.6% release thereby incapacitating the University's efforts of building science laboratories being a science based University.

The University informed the Committee that it had not yet received the supplementary budget of UShs 2.8bn for student living out allowance and other operational costs that was approved by Parliament under Schedule No.1 FY2021/22.

The University also requested for UShs 2.4bn to recruit staff for second year students of Agriculture and Management Sciences for effective teaching and learning to take place.

The Committee recommends that MFPED revises the recurrent non-wage budget of Muni University upwards to at least UShs 7.71bn in FY2022/23 and the MTEF period in order to avoid the supplementary requests each financial year.

The Committee recommends that MFPED releases the development balance of UShs 6.869bn in the second half of FY2021/22 and subsequent years to enable the University build the required science laboratories.UShs 2.8bn approved for the University's shortfall in living out allowances should also be released in the second half of FY2021/22.

The Committee further recommends that MFPED allocates the University UShs 2.4bn needed to recruit staff needed to lecture the second year students of Agriculture and Management Sciences.

7.3.15 VOTE 305 BUSITEMA UNIVERSITY

Inadequate releases to the Maritime Institute in Namasagali-Busitema University

The Committee observes that the University requires Ushs 13bn to set up the maritime Institute in Namasagali, However in FY2020/21, the Budget Committee made an additional allocation of UShs 7bn for revamping and equipping the Maritime Institute in Namasagali, however out of that only UShs 3bn was allocated to the Institute and a paltry UShs 1.2bn has been released to the Institute thereby making it difficult for the University to revamp the institute as envisaged.

The Committee recommends that MFPED avails Busitema University with the balance of Ushs 5.8bn that was allocated by the Budget Committee in FY 2020/2021 in order to fast track the rehabilitation of the maritime institute and the balance of Ushs 6bn be released in FY 2023/2024

Funding for the Technology Business Innovation and Incubation Center (TBIIC) in Busitema University

The Committee noted that the Technology Business Innovation and Incubation Center (TBIIC) at Busitema University developed a number of prototypes most of which are designed and geared towards supporting farmers to add value to their farm products. It was further observed that the prototypes have been designed to address the problems of farmers purchasing expensive machines from foreign countries and create employment to local innovators in line with BUBU policy. In August 2018, MFPED committed to financing the TBIIC for increase innovations; however no funding has been availed to date.

The Committee recommends that MFPED allocates UGX 3Bn towards the operationalization of the TBIIC.

Lecture and Laboratory Complex

The committee observed that the University requires lecture and laboratory complex for the medical school in Mbale. The building being a prerequisite to accreditation of the programmes at the faculty of healthy services the construction has slowed due to limited releases.

The Committee further recommends that the University is allocated an additional fund of Ushs. 12.1bn to get the building rehabilitated.

7.3.16 VOTE 307 KABALE UNIVERSITY

Inadequate teach facilities and laboratories at Kabale University

The Committee observes that its now five (5) years since Kabale University was made a Public University but is still grappling with issues of teaching facilities for its students and therefore needs UShs.6bn to start on the construction of its central teaching facility and laboratories.

The Committee recommends that MFPED allocates seed development funds to Kabale University to the tune of UShs 6bn in the medium term to enable it build its infrastructure just like it has done with the other new Universities.

7.3.17 VOTE 312 UGANDA MANAGEMENT INSTITUTE-UMI

No Capital Development funds for UMI

The Committee observes that the Budget Committee allocated UMI additional funding of UShs 1.2bn for infrastructural development of Mbale campus in FY2021/22, however only UShs 0.365bn was released leaving a balance of UShs 0.835bn unreleased and no allocations have been made as yet for the third quarter of FY2021/22 and no development funds allocated to the Institute for FY2022/23 and yet the contractor had started works on Mbale campus and awaits payment.

The Institute also needs UShs 10bn for construction of Multipurpose building in the medium term.

The Committee recommends that MFPED avails UMI the balance of UShs 0.835bn for the completion of Mbale campus to avoid accrual of arrears which could easily lead to litigation.

The Committee further recommends that the Institute be availed UShs 10bn to kick start the construction of its multi-purpose hall at its main campus in Kampala.

7.3.18 VOTE 310 LIRA UNIVERSITY

Inadequate development fund for Lira University

The Committee observes that the University has a number of ongoing capital developments that have not been allocated funds in FY2022/23.The UShs 16.7bn multi-year contract for the main administration block has so far received UShs 7bn leaving a funding gap of UShs 9bn needed for completion in order to provide all-inclusive and accessible office space and conference facilities. The University also needs UShs 1bn to procure assorted medical and science laboratory equipment for the University teaching hospital and faculties of Education, Medicine and Health Sciences.

The Committee recommends that MFPED allocates the University an extra UShs 10bn for the completion of the main administration block and procurement of the necessary medical equipment for the teaching hospital and faculties.

7.3.19 VOTE 308 SOROTI UNIVERSITY

Inadequate development budget for Soroti University

The Committee observes that previously the University would receive UShs 6bn to put in place the requisite infrastructure; however this budget was cut in FY2021/22 to UShs 1.9bn before the completion of the Anatomy laboratory block.

The Committee recommends that MFPED re-instates UShs 4.1bn development budget for the University that was cut to enable the completion of the Anatomy laboratory block.

7.3.20 VOTE 302 MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY-MUST

Inadequate funding to Mbarara University of Science and Technology

The Committee observes that as per NDP III, government's focus is on enabling the STEM/STEI component however MUST as a science University has not received adequate funds allocation in pursuit of this goal. The University informed the Committee that its staffing level is at 22% and need UShs 22.5bn to fill critical staffing gaps and promote 63 staff to improve staff retention. MUST needs UShs 4.695bn to support the establishment of the Center for Innovation and Technology Transfer (CITT) as an entrepreneurial hub to harness and enhance student staff potential for sustainable socio-economic development. The University needs UShs 8bn to support the construction of a central administration block at Kihumuro campus.

The Committee recommends that MFPED supports MUST with additional funding being a science based University as follows; UShs 22.5bn to at least have a staffing level of 50%, UShs 4.695bn for the CITT and UShs 8bn for construction of the central administration block at Kihumuro campus.

7.3.21 VOTE 304 KYAMBOGO UNIVERSITY

Inadequate teaching and office space at Kyambogo University

The Committee observes that the University lacks enough space for teaching and office space for lecturers and administrative staff hence the need to construct teaching facilities and offices to house lecturers and the need to renovate the west end library, this is estimated to cost UShs 15bn, however the University requests for UShs 4bn in FY2022/23 to renovate 20 accommodation facilities that can be converted into offices to address the gap in the short run. The University also requires Ushs. 8bn for fencing of the land to protect it from encroachment.

The Committee recommends that MFPED allocates Kyambogo University an additional UShs 19bn in FY2022/23 to address the issue office space for lecturers and more funds be allocated to the University in the MTEF period to concretely address the challenge of space both for teaching and staff.

The Committee further recommends that Ushs 3bn be allocated for fencing off the University to protect it from encroachers.

7.3.22 VOTE 309 GULU UNIVERSITY

Inadequate funding to Gulu University

The Committee observes that Gulu University had a reduction in its development budget of FY2021/22 by UShs 6.07bn after a supplementary budget that was approved by MFPED was indicated as an already approved budget by Budget Committee of Parliament and thereby not approving their supplementary which was not the case. This has caused challenges in regards to the continuation of the construction of the Central Teaching Facility to enable the University meet the Basic Requirements and Minimum Standards.

The Committee recommends that MFPED reinstates the University's development budget of UShs 6.07bn.

Inadequate funding to Gulu University

The Committee was informed by the University that, out of UShs 4bn needed for compensation of the Project affected Persons (PAPs) to pave way for the construction of Gulu Constituent College in Moroto only UShs 0.5bn has been provided in the budget leaving a short fall of Ushs 3.5bn.The University's current staffing level is 25% and the University needs additional UShs 6.135bn to increase its staffing level to at least 27%.The University seeks UShs 7bn for construction of a Teaching Hospital in fulfillment of a presidential pledge.
Remodeling and Equipping of the Molecular/Anatomy Laboratory as recommended by the Medical and Dental Practioner's Council requires UShs 1.7bn as well as the Transfer of the Title of Land to be swapped with NFA from Leasehold to Freehold requires UShs. 0.8bn.

The Committee recommends that MFPED allocates Gulu University an additional UShs 19.135bn in order to address the budget shortfalls as highlighted above.

7.4 COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

7.4.1 VOTE 019: MINISTRY OF WATER AND ENVIRONMENT

Counter Part funding for Projects under NW&SC and MWE

The Committee observed that National Water and Sewerage Corporation (NW&SC) and Ministry of Water and Environment secured donor financing from entities such as the IDA of World Bank for a number of projects to commence next financial year; while others have been ongoing.
However, project implementation is likely to be affected due to lack of counterpart funding. In addition, delayed GoU counterpart funding will escalate the cost of the project implementation due to penalties arising from delayed payment of contractors. The Committee noted the following projects that require counterpart funding.

- Kampala Water Lake Victoria WATSAN Project (KW LVWATSA) - UGX. 40.8 billion under NWSC
- Strategic Towns Water Supply And Sanitation Project (STWSSP)- UGX. 12 Billion under project 1529 MWE
- Development of Solar Powered Irrigation and Water Supply Systems – UGX. 11 billion under 1666 (Urban Water component) MWE.

Committee Recommendations:

- **The Committee recommends that government provides a total sum of UGX 40.8 billion to NWSC as counterpart funding for the Kampala Water Lake Victoria WATSAN Project.**

- **The Committee also recommends that MoFPED provides additional UGX 23 billion as counterpart financing requirements for the above mentioned externally financed projects under the Ministry of Water and Environment.**

Repair and Maintenance of Boreholes in Rural Areas

The Committee observed that operation and maintenance of boreholes in rural areas is one of the key challenges of water supply in Uganda. While investment in new water infrastructure continues to take place, greater attention must be paid to the functionality of new and old water facilities.

The Committee further noted that the budget put aside for repair of boreholes is not commensurate to the rate of breakdown of water facilities. This has affected functionality for rural water supplies that has stagnated at 85% since FY 2018/19 below the NDP target of 95%.

Committee Recommendation:

- **The Committee recommends that government provides a total of UGX. 30 billion specifically for the purpose of repair and maintenance of the already existing boreholes. In addition, MWE needs to prioritize allocations targeting improving functionality of water points especially in rural areas.**
- **The Committee further recommends that this should be a stop gap measure as the Ministry transitions to solar power boreholes.**

Inadequate Budgetary Allocations to Rural Water Supply Sub Programs

The Committee observes that government will continue to construct safe water supply systems in the rural areas to increase the number of water point systems and piped water supply systems using solar powered technologies under rural water and urban sub programs.

This is in line with the NDP III objective of increasing access to safe water supply to 85% by 2025. Currently, only 68% of rural Ugandans have access to safe water supply. However, the rural annual rate of population growth rate (3%) is higher than the rate of investment in water supply infrastructure; thus the Ministry lagging in meeting the growing demand for water. Furthermore, the Water improvement Supply Project is among the unfunded priorities in NBFP, requiring UGX 30 billion.

The Committee further observed that whereas 68% of rural Ugandans are reported to be accessing safe water supply, in reality; most water sources like boreholes are dilapidated, non-functional and in urgent need of repairs.

Committee Recommendations:

- **The Committee recommends that government prioritizes funding and budget allocations to rural water supply sub-program by providing UGX 30 billion for the water improvement project.**

Inadequate Budgetary Allocations to Urban Water and Sewerage Services

Improved water and sanitation services in urban areas is a priority component of the Human Capital Development Program of the National Development Plan III. Safe water and sanitation services in urban areas promote industrialization; facilitate health, education, and services sector, which are principal contributors to the national economy. The NDP III, therefore, targets to attain 100% safe water coverage in Uganda by the year 2025. To date, safe water coverage is only estimated at 71.6%, with relatively lower attention to the small towns, which constitute over 50% of the urban population. The Ministry of Water and Environment has made progressing effort to improve water and sanitation services in the small towns in Uganda, however, limited resources in the light of high demands have constrained attainment of the development objectives.

In July 2019, the GoU established the "100% service coverage acceleration project - umbrellas (SCAP 100 - Umbrellas)" project to re-enforce efforts towards improved water services in small towns across the country. The project objectives are to extend service coverage to the unserved population (by serving all villages within or near the supply area), and to upgrade, expand and renew the existing infrastructure in order to ensure reliable water and sanitation service delivery. This project supports operation and maintenance in 498 urban centres countrywide.

In the forthcoming Financial Year, the project plans to make 10,000 new connections countrywide, carry out 2,000km of extensions, rehabilitate and improve on the state of water supply and sanitation infrastructure in 47 towns countrywide, and drill production boreholes to enhance water supply capacity in 36 towns countrywide. The Ministry, therefore, seeks additional funding of UGX 25 Billion in the FY 2022/23 to support the project in improving aging water infrastructure in the small towns

Committee Recommendations:

- **The Committee recommends that government provides UGX 25 billion for Project 1532 which has real impact in provision of improved water supply services to the urban poor population countrywide.**

Inadequate Budgetary Allocations to the deconcentrated regional centers

The Water and Sanitation Development Facility (WSDF) approach is a mechanism for funding water and sanitation investments in Small Towns (STs), Town Boards (TBs) and Rural Growth Centres (RGCs). There are currently four regional based Facilities and one Project; Central (Wakiso), East (Mbale), North (Lira), South West (Mbarara) and Karamoja Water Supply and Sanitation Project. Refer to Annex 2 attached.

The WSDF branches carry out design and construction of water supply and sanitation facilities (WSSS), including the related software activities. The facilities since their inception have been able to construct over 100 piped water supply systems which have been handed over to National Water and Sewerage Corporation and Umbrella of Water and Sanitation for operation and maintenance. However, to date there remain many urban and rural growth centres that rely on Point Water Sources rather than the recommended piped water supply schemes which are known to have a bigger impact on the socio-economic development of urban and rural settlements. In addition, the existing water supply infrastructure in many Small Towns and Rural Growth Centres is ageing and increasingly uneconomical to operate because they have exceeded their design horizons.

The Ministry is undertaking feasibility designs for Rubanda bulk water supply systems which is to supply water to Rubanda district and Bukimbiri constituency in Kisoro district under project 1525. Funds amounting to UGX 4 billion are required to undertake the detailed design and tender documents for this project in FY 2022/23.

The Ministry, therefore, seeks additional funding of UGX 59 Billion in the FY 2022/23 to support the following projects in providing water in rural growth centres and urban centers countrywide.

- UGX 10 billion for Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation Project
- UGX 12 billion for Water and Sanitation Development Facility - EAST-PHASE II
- UGX 12 billion for Water and Sanitation Development Facility - SOUTH WESTERN-PHASE II
- UGX 14 billion for Water and Sanitation Development Facility-CENTRAL - PHASE II
- UGX 11 billion for Water and Sanitation Development Facility NORTH - PHASE II

Committee Recommendations:

- **The Committee recommends that government prioritizes funding and budget allocations to Projects 1399, 1524, 1525, 1533 and 1534**

which is consistent with NDP 3 goals and targets of safe water coverage by providing an additional UGX 59 billion for the above mentioned projects.

Lack of an Irrigation Master-plan:
The Committee notes that there are several irrigation schemes being undertaken to support improvement of productivity in the agriculture sector. The schemes are at various stages of completion; with construction/ rehabilitation of 6 schemes completed. These include: Doho Phase II, Mubuku Phase II, Wadelai, Tochi and Olwenyi covering a total of 3,696 hectares. Other 23 schemes are at design or preliminary studies stage. Despite this progress, the MWE reported the formulation of the National Irrigation Master plan for Uganda at 40% progress.

NDP III envisages the need to harmonize the structuring and reporting for water for production projects, as a way of coordination, increasing efficiencies on ground and sustainable use of water resources. The Ministries responsible for Agriculture and water while having differentiated but complementary roles in water for production have been unable to finalize the master plan since FY 2019/20.

Committee Recommendations:
- **The Committee recommends that in order to have a coordinated investment for water for production, the Irrigation Masterplan should be completed by December 2022. Thereafter, Parliament should not approve the budgets on water for production for the two institutions without a Master plan.**

Solar Powered Irrigation and Water Supply Systems (NEXUS GREEN PROJECT)
The Committee observed that according to NDP III, Government will augment efforts to limit rain-fed agriculture by extensively pursuing construction of mini-micro irrigation schemes. In order to increase access and use of water for agricultural production, solar-powered small-scale irrigation systems for small holder farmers outside conventional irrigation schemes are being developed countrywide through the Solar Powered Irrigation and Water Supply Systems project.

The main objective of this project is to transform the rural water supply infrastructure from the traditional hand pumped groundwater wells to powered groundwater wells powered by either solar energy, wind energy or any other alternative form of renewable energy.

However, the Committee was informed that the Solar Powered Irrigation and Water Supply Systems (Nexus Green Project) has a counterpart funding shortfall of Shs 11 billion for the next financial year.

Committee Recommendations:

- **The Committee recommends that MoFPED provides additional UGX. 11 billion as counterpart financing requirements for the Nexus Green Project under the Ministry of Water and Environment.**

7.4.2 VOTE 150: NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

Budget Shortfalls under NEMA

The Committee observed that financing for NEMA activities have been affected by the unconstitutional mix up of the Environment Fund with other revenues deposited in the Consolidated Fund. Article 153 (2) of the Constitution establishes that the Uganda Consolidated Fund shall not include revenues or other moneys- (a) that are payable by or under an Act of Parliament, into some other fund established for a specific purpose; or (b) that may, under an Act of Parliament, be retained by the department of Government that received them for the purposes of defraying the expenses of that department.

Accordingly, Section 32 of the NEMA Act (Act) provides for continuity of the National Environment Fund. Ministry of Finance, Planning and Economic Development, in contravention with provisions of the constitution abolished the Fund and diverted that revenue stream to the Consolidated Fund.

The Committee observed that NEMA has experienced budget cuts off the MTEF significantly crippling its operations. These have been majorly attributed to the monitoring and supervision roles which are categorized as consumptive. The Committee observed that NEMA's budget is projected to decrease by 7% to UGX. 16.6 billion in FY 2022/23 from UGX. 17.8 billion in FY 2021/22; and UGX. 25.56 billion in FY 2020/21.

The Committee further observes that NEMA significantly contributes to revenue collections which are sent to the consolidated fund for reallocation to other MDAs. In FY 2020/21, NEMA collections related to NEMA amounted to UGX. 270.56 billion of which 97% (UGX. 262.4 billion) was from Environmental Levy Collections by URA while 3% (UGX. 8 billion) was Non-Tax Revenue from Administrative Collections at NEMA.

The Committee was informed that NEMA has a total funding shortfall of UGX. 123.7 billion in FY 2022/23 for various activities.

Committee Recommendations:

- **The Committee recommends that from the revenue collections made by NEMA, Government allocates at least 20% of environmental levy towards the following priorities:**
    - **UGX. 15 billion for enhancement of the district Environmental Enforcement Grant budgeted for and disbursed under NEMA**
    - **UGX. 12 billion for Automation of Environment and Social Impact review processes and other Business Processes;**
    - **UGX. 6 billion for purchase of Environmental Monitoring fleet;**
    - **UGX. 11 billion to Establish, Train and Equip an Environmental Protection Force (EPF) and**
    - **UGX. 11.8 billion for Effective Environmental Monitoring, inspection and Supervision of Oil and Gas aspects**

Administration of the National Environmental Fund

The Committee observed that National Environment Act, 2019 continued the existence of the National Environment Fund. This fund is constituted of monies from various sources including: disbursements from government; environmental levies; fees charged for the use of environmental resources; fines, gifts, donations and other voluntary contributions.

The Committee noted that although GoU for the FY 2020/21 collected UGX 262.4 billion as environmental levies, these were not remitted to the environment fund but are rather collected by Uganda Revenue Authority and remitted to the consolidated fund.

Lack of a fully operational National Environment Fund consequentially hampers implementation of core functions of NEMA and lead agencies in execution of their mandate in environment management as specified in the Act.

Committee Recommendations

- **The Committee recommends that Ministry of Finance Planning and Economic Development should allocate all the funds collected by Uganda Revenue Authority under Section 32(2) of the National Environment Act, 2019 to the National Environmental Fund to carry out activities for which the fund was established.**

- **The Committee further reiterates its earlier recommendation that part of the environmental Levy collected by URA and remitted to the consolidated Fund be ring-fenced and provided as additional funds to institutions mandated to ensure effective environmental management like the Ministry of Water and Environment, NationalEnvironmental Management Authority, Local Governments and National Forestry Authority.**

7.4.3 VOTE 157: NATIONAL FORESTRY AUTHORITY

Climate change and tree planting campaign

The Committee noted that the NDP III through Natural Resources, Environment, Climate Change, Land and Water Management Programme aims to stop, reduce and reverse environmental degradation and the adverse effects of climate change.

According to the NDP III, forest cover in Uganda reduced from 20% in 1986/87 to 9.5% in FY17/18 while wetland cover was reduced from 13% to 10.9% over the same period. This has led to climate change as evidenced by severe weather patterns, prolonged droughts and floods. The continued environmental degradation, loss of forest cover and wetlands is impacting negatively on Uganda's tourism, agriculture, among others; and therefore, needs to be addressed urgently.

The Committee was informed that one of the strategies to deal with climate change is increased tree planting through tree planting campaign. However, this intervention is not adequately funded under the National Forestry Authority (NFA).

Committee Recommendations:

- **The Committee recommends that government allocates at least 10% of revenue from environmental levy collections towards NFA interventions as per requirement from the National Environment Act, 2019.**

- **The Committee further recommends that government allocates UGX. 4.2 billion towards the national tree planting campaign.**

Lack of incentives for conservation private forests:

The Committee noted that there are natural forests owned by private persons but NFA had no jurisdiction to manage exploitation and conservation of such resources. Owners of such forests exercise the right to cut trees for their own gain although such actions have repercussions on the balance of the ecosystem. NFA lacks incentives to encourage conservation efforts for such forests.

Committee Recommendations:

- **The Committee recommends that NFA pilots carbon trading, where owners of private forests are compensated in cash to keep such forests intact. NFA may look for partners such as World Bank that provide incentives for conservation.**

Forest Encroachment
The Committee noted that despite various Government interventions to restore forest cover through gazettement of forest reserves, entering into Public-Private Partnerships, reclaiming of forest land and sensitization of the population on the need for better forest cover, there has been continued loss on acreage of forest cover due to encroachment, issuance of illegal titles in both Central Forest Reserves and Local forest reserves, illegal extraction of both Timber and non-timber forest products on private lands and in the reserves. This trend, if left unabated is bound to impact negatively on the climate.

The Committee was further informed that the total external boundary of over 11,000kms of the Permanent Forest Estate (PFE) requires re-surveying and demarcation to restore the physical legal boundaries from encroachment by illegal titles, construction and cultivation. NFA requires an additional UGX. 7 billion to stop further encroachment and degradation of Central Forest Reserves (CFRs) in the country.

The Committee therefore recommends that:

- **NFA puts in place a coordination mechanism for forestry management for effective monitoring and protection of biodiversity forests of both the Central and Local forest reserves in order to ensure increased forest cover;**
- **An elaborate regulatory framework on commercial forest plantations should be put in place detailing mode of issuance and cancellation of licenses, transfer of interests between parties or entity, reverting interests to government as well as coexistence.**
- **The Committee further recommends that UGX 6 billion be allocated against forest encroachment by opening up the boundaries.**

7.4.4 VOTE 302: UGANDA NATIONAL METEOROLOGICAL AUTHORITY

Inadequate dissemination of weather information
The Uganda National Meteorological Authority (UNMA) is responsible for establishing and maintaining weather and climate observing stations network, collection, analysis and production of weather and climate information, (including warnings/advisories) to support social and economic development. UNMA provides daily, seasonal and other forecasts to guide civil aviation, marine transport, agriculture and other key economic activities. Whereas there are efforts to disseminate its forecasts to the various players, Ugandans, especially those engaged in subsistence farming are detached from weather information. UNMA relies on television broadcasts and social media and print media which are not easily accessible to farmers. The local Governments also lack personnel to disseminate such weather information.

Committee Recommendations:

- **The Committee recommends that key personnel at Local Governments should be given weather updates in a timely manner, so as to disseminate these to the locals.**
- **UNMA should take advantage of the Government broadcasting time provided by local radios to disseminate weather information.**
- **Additional UGX 0.1703bn should be provided for dissemination weather forecasts.**

Insufficient weather equipment

The impact of climate change and variability necessitates an increase in weather stations to measure key variables such as temperature and volume of rainfall. However UNMA purchase of key instruments such as rain gauges remains a key unfunded priority.

Committee recommendations:

- **Additional UGX. 0.67 billion be allocated for six automatic weather observing stations in Pakuba, Budibugyo, Ntoroko, Buliisa, Kikuube and Kibaale.**
- **Additional UGX. 0.568 billion be provided for calibration and improving functionality of key instruments in weather stations.**

Provision for Deemed Energy:

The Committee observed that the sector continues to pay for deemed energy costs resulting from delays in completion of the 132kv evacuation lines. The lines comprise two projects namely: 132kV Gulu Agago project and 132 kV Kole-Gulu-Olwiyo-Nebbi-Arua.

The Committee was informed that provision for deemed energy requires UGX. 193 billion of which UGX. 117.85 billion is funding shortfall for financial years 2019/20 and 2021/22. The budget requirement for FY 2022/23 is UGX. 75.45 billion.

The Committee was further informed that there is a contractual obligation between Government of Uganda and ARPE limited to cover the deemed energy costs.

Recommendation

- **The Committee therefore recommends that; Government allocates additional UGX. 193 billion to cater for deemed energy costs of previous financial years and those for FY 2022/23.**

- **The Ministry of Energy should provide a clear work-plan for the transmission projects of Gulu-Agago, Kole-Gulu- Olwiyo-Nebbi-Arua.**

- **Government should fast track the completion of evacuation lines within this financial year.**

Restoration of Electricity Connection Policy

The Committee observed that Electricity Connection Policy (ECP) became effective in November 2018, driven by the ethos that without free connection, the costs of connections will prohibit access to energy and increase the costs of deemed energy.

Under the ECP, all customers requiring a single phase connection are connected free of charge. The customers are required to wire their premises and pay the inspection fee of UGX. 20,000. Once their premises pass the inspection phase, they are connected at no extra cost.

The Committee was informed that a total of 359,987 connections out of 900,000 were done during the period 2018-2021, indicating 40% performance. The target was not achieved due to shortfalls in funding because of the outstanding debt for the connections by the service providers. Cabinet suspended the implementation of the ECP in 2020 and this was later reconsidered, allowing for individuals to pay for their connections.

The Committee was informed that the Ministry has projected to make 300,000 connections in FY 2022/23 under the connections policy. Yet, in view of the 900,000 connections anticipated, this would still leave about 240,000 connections undone in the next Financial Year. However, the above target of 300,000 connections may not be achieved due to the following financial shortfalls;

- USD 65 million is required for the resumption of the ECP to accelerate increased actual access to power.
- An additional UGX. 61.2 billion is required to settle outstanding obligations under UMEME. This debt arose out of connections that were made by UMEME but not paid for; due to revenue shortfall during the first Covid-19 pandemic.

Recommendations:

- **The Committee recommends provision of UGX. 61.2 billion for settlement of outstanding obligations under UMEME.**

- **The Committee further recommends that Government allocates additional UGX. 227.5 billion for the resumption of the ECP FY 2022/23.**

- **The Energy Fund provided for in the Electricity Act (1999) be operationalized by government to enable private Ugandans to access financing for electricity infrastructure, including power lines and related equipment.**

Underfunding of Rural Electrification:

The Committee was informed that although rural electrification is intended to increase electricity access across the entire country, it remains underfunded. The Committee also noted that budgets for some projects previously under REA are projected to reduce next financial year on account of exiting the Public Investment Plan; yet outstanding works still exist.

The Committee was also informed that the Ministry of Finance released inadequate resources for REA projects in the first quarter of FY 2021/22 after REA mainstreaming. As a result, the activities of REA that had been pending could not be implemented because the funds were grossly inadequate. For FY 2022/23, the Committee was informed that rural electrification has a funding shortfall of UGX. 895.6 billion to address the following areas:

- Electrification of all sub counties
- Payment of outstanding obligations due to budget cuts
- Electrification of non-connected sub counties, key rural growth centres and expansion of rural network to upcoming rural growth centres

The Committee further underscores the importance of rural electrification in the implementation of the parish development model.

Furthermore, the Committee is alive to the fact that the country is transitioning to the Parish Development Model and the attendant agricultural value chain, which means electricity must be taken up to the parishes. Reconnaissance of parishes without power requires UGX. 26 million. The Committee was also informed that the Ministry of Energy is in advanced stages of negotiations with the World Bank for a 400 million USD Uganda Electricity Access Scale-Up Project that would enable electrification up to the parishes.

Committee Recommendation

- **The Committee therefore recommends that Government provides additional UGX. 869.6 billion for rural electrification in the next twofinancial years under MEMD.**

- **Funds to kick-start Uganda Electricity Scale-up Project be provided for the Ministry of Energy in the FY 2022/23 and the Ministry should fast-track this project that is intended to provide over 1,000,000 new connections onto electricity grid as part of Electricity Connectivity Programme and to keep pace with the Parish Development Model.**

Electricity Tariffs

The installed electricity generation capacity of Uganda as at the end of December 2020 was 1,236.3 MW. Generation capacity currently exceeds demand and is expected to outstrip it with a further 600 megawatts installed capacity coming online when Karuma Dam is commissioned later this year. The tariff has generally increased. For instance, the annual average weighted domestic tariff increased from 663.2 Ug.Shs/kwh recorded in 2018 to 747.5[5] Ug.Shs/kwh in 2022, representing a 13% increase. Additionally, the annual average weighted commercial tariff increased by 1.3 percent from 623.9 Ug.Shs/kwh in 2018 to 631.8 Ug.Shs/kwh in 2019. Furthermore, the annual average weighted industrial tariff decreased by .2 percent from 378.9 Ug.Shs/kwh in 2018 to 370.6 Ug.Shs/kwh in 2020.

With agreements that commit Government to pay capacity charges rather than actual consumption, the tariff remains high and prohibitive for consumers. In a report presented to the Committee in the 10th Parliament on Ministerial Policy Statement and Budget Estimates for FY 2021/ 22, it was noted that the main contributors to the main grid tariff are 62%, for the generation segment (of which Bujagali contributed 27%), 12 % for the transmission (O&M, REA Levy and ERA Levy), 26 % for Umeme (Capital recovery, Return on Investments, Distribution Operation and maintenance and applicable taxes).

It is imperative that there is off-take of the excess electricity through increasing consumption, ensuring that the parks have high consuming industries and restructuring loan agreement of Bujagali.

The Committee however noted that the proposal to subsidise cost of electricity in some industrial parks is discriminatory especially since not all industrial parks are to receive this subsidy. Further, there are a number of industries located outside such industrial parks that will not receive subsidies but will

[5] Electricity Regulatory Authority, 2022 Tariff Schedule.

have to compete in the market with those receiving the incentives. This will eventually result into market distortions and unfair trade. This policy direction is not supported with data to indicate its overall benefits to the Ugandan economy and how the selected industrial parks were selected as well as the amount to be subsidized per industrial park. The selected industrial parks for piloting are Buikwe and Kapeka.

The Committee noted that the Ministry is not providing accurate information regarding bulk supply tariffs in industrial parks.

Recommendations

- **The Committee recommends that USD 5 subsidy to industries in selected industrial parks should instead be given to industries based on the level of electricity connection; rather than location. All industries should qualify for the subsidy as long as their monthly consumption reaches an agreed threshold.**
- **GoU should prioritize increasing investment for power distribution infrastructure.**
- **Efforts should be intensified for implementation of the Free Connection Policy to accelerate access to clean energy, grow demand and contribute to reduction in the end user price of electricity.**
- **GoU/MEMD should prioritize off-grid energy solutions for remote areas where extending the grid would be expensive (ORIO Projects).**
- **There should be connection to industrial Parks and establishment of high consuming industries to off-take the electricity.**
- **MEMD should diversify the energy mix so as to manage the cost of generation.**
- **The provision of energy subsidies to industrial parks should be stayed and revisited in the spirit of fair competition.**
- **MEMD should focus on re-negotiating the loan agreement for the Bujagali HPP as a lasting solution to reduction of power tariffs.**

Vandalism of Transmission Networks

The Committee observed that although several transmission projects are under implementation by Uganda Electricity Transmission Company, vandalism on transmission lines and other electrical installations remain a major challenge. Vandalism causes financial losses to Government that needs to constantly replace lines as well as the economy, which is dependent on this network for delivery of electricity.

Committee Recommendations

- **The Committee recommends that the Ministry of Energy and Mineral Development, together with local Governments should sensitize the community and conduct spot surveillance on the transmission network.**
- **MEMD should invest in modern surveillance and deterrent technology to enforce management of the vice.**

Implementation of Biofuels Act

The MEMD reported to have gazetted the Biofuel Act, 2018 and completed the validation of the regulations which now await gazetting. The objective of the regulations is to set out the requirements for licensing biofuel producers and oil companies to enable blending of biofuels with petroleum products.

The Committee noted that although the Ministry has identified a funding shortfall for establishing a biofuels laboratory of UGX 1.2 bn, there exists a quality compliance system in Government that can be harnessed for testing of biofuels and their blends. A Petroleum laboratory under the management of Petroleum Supply Department of the MEMD and Uganda National Bureau of Standards is already in existence.

Blended petroleum products are essentially petroleum products with up to a maximum of 5% biofuel blended into them. Several analytical laboratories for testing biofuels exist within Government that do not necessitate construction of a new structure but rather better equipping of the existing laboratories.

The Committee further noted that although the Ministry intends for utilization of biofuel, key logistical requirements as proposed by the Committee in its report on the Biofuels Bill of 2016 are still not in place to enable smooth implementation of the policy on blending of biofuels. Key among these include: establishment of appropriate storage and handling facilities for biofuels and its blends, mechanisms to mitigate the socioeconomic impacts, production of sufficient biofuel feedstocks, safety considerations, considerations on appropriateness of vehicle technology etc.

Recommendations:

The Committee recommends that;

- **The Petroleum Laboratory as managed under the MEMD's Fuel Marking Programme should be well equipped to test quality of petroleum products, including blended petroleum products.**
- **MEMD should enter into memoranda of Understanding with UNBS, Government Analytical Laboratory or other Government analytical**

facility for analytical tests on biofuels so as to avoid duplication of resources and optimize testing synergies already available in Government.

- **MEMD should put in place a comprehensive implementation plan for actualizing the Biofuels Act, 2018.**
- **MEMD should give special consideration to the Committee's Recommendations as was captured in the Committee's Report on the Biofuels Bill.**

Counterpart Funding for Generation Projects - Orio Mini Hydropower Plant

Uganda Energy Capitalization Credit Company, UECCC accessed a grant of up to Euros 13.1 million from the Government of the Netherlands towards development of nine (9) mini hydro power sites as a single project for rural electrification in hard to reach areas. GoU is supposed to provide remaining 12.2 million euros in counterpart funding. The Project entails the development of the 9 hydropower plants, a 288km distribution network and 71,081 last mile connections in the Project area as a single project. The project area covers seven (7) districts, namely: Hoima, Kabarole, Bundibugyo, Bunyangabu, Kasese, Mitooma and Bushenyi.

For the FY 2022/23, a funding gap of UGX 72 billion for civil works (UGX 38.7 bn), Electromechanical works (UGX 32.4 bn), monitoring and supervision (UGX 0.97bn) is required but has not been provided for.

Recommendation

- **The Committee recommends that counterpart funding amounting to UGX 72 billion for the Orio Minigrid Project should be provided as it has the potential to increase last mile connections for hard to reach areas.**

Diversification of Energy Mix

The Uganda's Energy Mix mainly consists of Hydropower contributing 91% (Large Hydro = 77%, Small Hydro = 14%), Bagasse 4.8%, Thermal 1.8%, solar 1.8% and imports 0.5 % (to balance transmission network)6. There is heavy reliance on hydropower for electricity production, which necessitates diversification of sources to further reduce tariffs. Nuclear energy and geothermal energy have been proposed as alternative energy sources to cater for future development needs of the country. UGX 22.55 bn has been proposed to facilitate drilling of eight shallow wells and designing of deep wells.

Although nuclear energy is a proposed energy source, the Atomic Energy Act, 2008 does not provide for the development of nuclear plants, nuclear security, emergency preparedness and spent fuel management. With several

[6] ERA Annual report FY 2019/20

prefeasibility activities already ongoing, there is need to update the regulatory framework to prepare for development of nuclear energy.

Recommendations:

The Committee therefore recommends that;

- **Additional UGX 22.55bn should be provided for drilling of eight shallow wells and designing of deep wells required for geothermal exploration.**
- **Government should provide UGX 21.6 billion towards the development of Center for Nuclear Science.**
- **MEMD should prepare a Bill to update**

Underfunding of UNOC

The Committee observed that although oil is meant to spur economic development of the country within the next two decades or so, Uganda National Oil Company (UNOC) is grossly under-funded to execute its mandate of overseeing the commercial interests of Uganda in the Oil and Gas Sector. This raises questions on how it is expected to effectively and profitably represent and manage State Commercial Interests in the Oil Sector. Moreover, UNOC operates as a subvention under the Ministry of Finance yet all project proposals that it implements must go through the Ministry of Energy and Mineral Development.

The Committee further observed that inadequate funding of UNOC could affect implementation of Investment projects such as the EACOP which might lead to project execution delays resulting into penalties.

The Committee was informed of the following other urgent funding requirements by UNOC:

- UGX. 178 billion outstanding balances for equity share in the EACOP. Government of Uganda, through UNOC will hold a 15% (USD 308 Million) Equity share in the EACOP. As of 31st December 2021, USD 130 million had been availed by the government.
- UGX. 555 billion (USD 150 million) for the Oil Refinery:
- UGX. 264 billion for Kampala Storage Terminal (KST):
- UGX. 26.6 billion for Kabaale Industrial Park (KIP),
- UGX. 6.8 billion for construction of oil Jetty and pipeline.

The Committee was also informed that only UGX. 46 billion has been provided for UNOC as operational funds under the MTEF for FY 2022/23.

The Committee was informed that UNOC's total equity share requirement at the time of passing the EACOP Bill USD 213million. This has now risen to USD 308 million as of 31st December 2021, of which USD 130 million had been availed by government, leaving a balance of USD 178 million.

The Committee further observed that due to the programmatic budgeting requirements, UNOC's out-puts are reflected under the Sustainable Petroleum Development Programme - Energy and Minerals Sector; while its budget is under Ministry of Finance Planning and Economic Development. The budget of UNOC does affect the ceiling of the Ministry of Energy and Mineral Development.

Recommendation

- **The Committee recommends that the MEMD provides an explanation to Parliament on how UNOC's equity requirements in the EACOP Project has risen suddenly to USD 308 million.**
- **The Committee further recommends that upon provision of satisfactory explanation of the surge in UNOC's equity requirements, government provides UGX. 178 billion for the capitalization of UNOC in the FY 2022/23 budget of the Ministry of Finance, Planning and Economic Development.**
- **The Committee also recommends that government secures funding for the other aforementioned capital intensive oil investment activities amounting to UGX. 836 bn.**
- **The Committee further recommends that a long term funding solution for UNOC operations be sought in order to ensure financial sustainability.**
- **The Committee recommends that UNOC be transferred to the Ministry of Energy and Mineral Development to streamline its operations.**

Underfunding of Petroleum Authority of Uganda

The Committee was informed that the passing of the EACOP (Special Provisions) Bill, 2021 and the Public Finance Management (Amendment) Bill 2021 and the Income Tax (Amendment) (No.2) Bill 2021 paved way for the licensed oil companies to make plans for joint announcement of the Final Investment Decision on 1st February 2022.

Despite these developments, PAU's budget is projected to decrease by 2.7% from UGX. 52.99 billion this financial year to UGX. 51.57 billion in FY 2022/23 and yet it is charged with the regulation of the expected expansion and developments under oil and gas sector that will follow the FID.

PAUs financial requirement for FY 2022/23 is UGX. 136.412 billion of which only UGX. 51.57 billion or 37% has been provided, leaving a funding shortfall of UGX. 84.84 billion. This brings to question how PAU is expected to effectively regulate the oil and gas sector with these funding shortfalls.

Committee Recommendation

- **The Committee recommends that Government allocates additional UGX. 84.84 billion to enable PAU effectively execute its regulatory role in the oil and gas sector.**

Skilling for Oil and Gas

Workforce Skills Development Strategy and Plan (WSDSP) was developed by the Petroleum Exploration and Production Department (PEPD) of the MEMD as a means of estimating the current levels of skills for the sector and detailing the labour requirements for the sector over the next 10 years starting with 2015. This plan was developed envisaging that the development phase would begin in 2015 and production in 2019. It was estimated that 29,250 jobs would be created with 39% of these jobs as basic and entry level jobs requiring no formal training and practical experience of less than 2 years; and 38 % as trade and skills jobs requiring formal training of less than 2 years and practical experience of 2- 5 years. It was envisaged that the Ministry would capitalize on developing such skills for the oil and gas sub-sector since qualification is easily attainable.

The Committee noted that although the country envisages first oil by 2025, the skilling efforts of the country are still dismal and fall short of the requirements of the industry. Uganda Petroleum Institute Kigumba is also still under construction which has an implication on skills acquisition by Ugandans.

Recommendations

- **Skilling programmes for Ugandans should be fast tracked and requisite funding provided for this.**
- **The MEMD should liaise with the Ministry responsible for education to fast track construction and equipping of Kigumba Petroleum Institute.**
- **Petroleum Authority of Uganda should ensure that a quota of employment opportunities is earmarked for Ugandans especially now that development phase of the oil projects has commenced.**
- **MEMD should liaise with other Government training facilities such as Uganda Industrial Research Institute to establish mechanisms to utilize the newly constructed machining centre for training of welders and electrical technicians as the needs of the industry may require.**

Lack of Sufficient Fuel Stocks

The country continues to rely on fuel stocks in the fuel storage facility in Jinja and other privately owned facilities. Overall, private sector storage exceeds Government reserves. This is attributed to failure to complete the once planned reserves like Nakasongola depot and stocking challenges at Jinja Reserve tanks.

With no policy to guide stocking levels as other East African states, the envisaged 10 day fuel reserve capacity targeted by UNOC remains low to ensure the fuel security of the country. However, the Kampala Storage Terminal is proposed as part of the refinery project and will beef up the fuel security of the country but lacks UGX 254.2 billion for its financing in the FY 2022/23.

Committee Recommendations:

- **The Committee recommends that the Ministry of Energy and Mineral Development enforces provisions of the Petroleum Supply Act; which require all licensed petroleum suppliers to maintain a reserve level, capable of running the daily requirements of up to ten (10) days.**
- **Amend the Petroleum Supply Act to provide for minimum fuel stock at government storage facilities. This will ensure Ugandan economy is secured from risk of inflationary pressures arising from fuel shortages. A consideration should be made of a minimum fuel stock of 100 days**
- **Additional funding of UGX 264.2 billion should be set aside for development of the Kampala Storage Terminal.**
- **UGX 42 billion should be provided for stocking of Jinja Storage Terminal and Oil Jetty and Pipeline.**
- **The Committee further recommends that the fuel marking policy at the point of entry should be suspended indefinitely since new technologies available to Uganda Revenue Authority can track movement of in-country and transiting fuel trucks. This would easily replace time wasting and costly marking exercise.**

Development of Refinery

The Committee notes that the Front End Engineering Design for the Refinery Project was completed in July 2021, with negotiations for long term agreements including the Implementation Agreement, Shareholders Agreement and Crude Supply Agreement on-going. The Committee was informed that the 1st tranche of the 40% equity contribution by Government should be prioritized for the FY 2022/23 following FID as per Refinery Project Framework Agreement. Budget requirement for this is UGX 555bn by UNOC. A further funding gap of UGX 103 is needed for the resettlement Action Plan for the refined products pipeline.

The MEMD indicated that failure to hand- over land will result into GoU losing UGX 379bn as per Refinery Project Framework Agreement.
The Committee raises concern on the information asymmetry from the MEMD on previously signed agreements in the oil sector. Parliament is at the tail end of such agreements despite the signed agreements having financial and regulatory implications for Government.

The Committee further noted that there is need to fast track necessary actions for the development of the 60,000 per day barrel refinery to take advantage of the first oil by 2025. This will ensure retention of benefits for the country, especially spin-off benefits that arise from the petrochemicals industry that feeds off the refinery project.

Committee Recommendations
The Committee recommends that;

- **Additional funding of UGX 555 billion be provided for UNOC specifically for advancing the refinery project.**
- **The Committee should be provided with a matrix of key projects in the oil and gas sector, clearly indicating budget implications for every project, timelines, funding received and gaps for future planning and scheduling of activities.**
- **Parliament, through its Committee on Natural Resources should be furnished with the Refinery Project Framework Agreement and be informed of key tenets of negotiated agreements as a means of addressing the information asymmetry from the Executive.**

Underfunding of Mineral Development Programme under MEMD

The Committee observed that; although the Mineral Development Program is prioritized under NDP III as one of the key growth areas for industrialization through value addition, there is no corresponding financing in the budget to achieve these aspirations. Uganda has significant deposits of commercially recoverable quantities of precious minerals like gold which are not yet exploited, or indeed are being exploited with the knowledge of government. This is important for ascertaining the quantities of minerals being got from several mines across the country.

The Ministry's budget for this program is projected to reduce by 28% from UGX. 48.9 bn in FY 2021/22 to Shs 34.8 bn. This further falls short of the projected funding for the programme as recommended by NDP III, which for the FY 2022/23 should be UGX. 651billion. Specifically; the Mineral Development program has a number of funding shortfalls next financial year. These, among others include;

- UGX. 15 billion for equipping of the mineral beneficiation centres in Moroto, Ntungamo and Fort Portal. Construction of mineral beneficiation centers is supposed to increase the competiveness of our minerals in the global market since markets adhere to strict ISO standards.

- UGX. 35 billion is required for undertaking feasibility study for the gas pipeline for processing iron ore.

- UGX. 5 billion is required under geothermal exploration for drilling of eight shallow wells and designing of deep wells.

- UGX. 16.1 billion for weighbridges.

Committee Recommendations

- **The Committee recommends that Ministry of Finance Planning and Economic Development (MoFPED) provides funding for ten (10) weigh bridges across mines countrywide. This will result in NTR collection of USD 2.33 billion in the next ten years.**
- **The Committee further recommends increment of the wage bill for at least 10 mine inspectors using resources that were previously earmarked for REA staff salaries since they will be employed under permanent and pensionable terms, beginning November, 2022.**
- **The Committee also recommends that Government allocates additional UGX. 55 billion under the mineral development program, specifically for the construction of mineral beneficiation centers, undertaking feasibility study for the gas pipeline and drilling under Geo thermal exploration.**

Ban on exportation of Minerals

The Committee was informed that the ban on exportation of unprocessed minerals has not yet been lifted and continues to negatively affect the export of semi-processed minerals such as Vermiculite and Tin. The Committee also notes that the huge deposits of iron ore that is estimated to last over 500 years presents an opportunity for export of un processed or to boost government revenue in the short term while developing processing factories within the country.

The Committee noted that; while the ban was intended to promote export of processed minerals, the country still lacks the capacity to fully process many of the minerals. Following the ban, a number of companies licensed to prospect, explore and mine in Uganda closed shop, a number of others operated on borrowing, some downsized leading to loss of jobs- all of which led to the further shrinking of the mineral sector.

Committee Recommendations

- **The Committee recommends that government reviews and introduces exceptions in the Presidential Ban on the export of unprocessed minerals, particularly, for tin, vermiculite and iron ore.**

Formalization of Artisanal Miners:

Artisanal mining is a prominent source of livelihood in the districts of Mubende, Bugiri, Buhweju, Namayingo, Ntungamo and Amudat. Artisanal and Small Scale Mining is attributed to production of an estimated 83% of all development minerals (clay, sand, limestone, marble, kaolin, phosphates, vermiculite) in the country whose value is estimated at USD 350 million per annum and 4.2 times the value of estimated artisanal gold production[7].

However, artisanal mining is characterized by use of rudimentary and labor-intensive mining methods, particularly heating up iron ore using firewood and using mercury to recover fine gold from the crashed rock. This has largely been attributed to the limitations by the Mining Act (2003) on the type of equipment and technology to be used by artisanal miners. The Act stipulates that the value of equipment and technology to be used by artisanal miners should not exceed UGX 10 million. This is bound to hamper development of artisanal mining especially skills improvement that facilitate pooling of resources for acquisition of modern equipment.

Committee Recommendations:

The Committee recommends that;

- **Artisanal miners need to be organized and formalized into mining cooperatives that are easier to regulate and train.**
- **Additional UGX 4.76 billion be provided for formalization and equipping of ASMs.**

Completion of Osukuru Fertilizer Plant

The Committee observed that the Osukuru fertilizer and steel project were commissioned in October 2018 and Guangzhou Dong Song produced 50,000 tonnes of rock phosphate fertilizer, bio-organic fertilizer and NPK fertilizer in 2018. These were distributed to tea, sugarcane and other commercial farms for pilot test. All initial stock has been distributed with the exception of 2000 tonnes, but no other production volumes were reported by the MEMD. The

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[7] United Nations Development Programme, 2018. Baseline Assessment of Development Minerals in Uganda

commissioning of the steel plant was expected by June 2019; however the progress is delayed due to litigations against company.

The Committee noted that the production capacity of the plant was estimated at 300,000 metric tonnes of phosphate fertilizer per annum. Other expected outputs from the plant included sulphuric acid, steel, rare earth metals, a gypsum plant all with approximate production capacity of at least 200,000 metric tonnes per annum. The Osukuru plant is key in delivering on the program's targets on production of steel, reduction of steel imports and increase in fertilizer production. Failure to actualize the plant implies that the sector will fail to meet its targets.

The Committee recommends that;

- **The Ministry should assess the performance of this project as per terms of contract and re-strategize accordingly, to ensure continuity of the project.**

Speculation in Licensing

The Committee observed that although the total number of minerals rights issued is high, they have not translated into commercial exploitation of minerals.

For example as of November 2019, a total of 457 licenses had been issued for all types of minerals across the country. 309 of these were exploration licenses, 103 Location licenses, 43 mining leases and 2 retention licenses.

In a presentation made to the Committee on 14th January 2022, the number had increased to a total of 649 minerals rights. Of these 341 are exploration licenses, 96 location licenses, 55 Mining leases, 148 prospecting licenses and 9 Retention licenses.

The Committee notes that exploration licenses are issued to generate data on the mineral resources and are often the basis to guide further investment in the mineral right. However although the exploration licenses issued over the years have been many, they have failed to yield sufficient data that translates into issuance of mining leases. Exploration license holders hide under this type of license to carry out mining operations without provision of exploration data and investment that would result into award of mining leases (case in point: Buhweju District). Other licenses are held in speculation as licensees look for potential large-scale investors, while some resort to license renewal using different company names when one company is no longer eligible for award of such renewal.

The Committee recommends that;

- **All exploration licenses that have been renewed for at least one term should be assessed against the requirements in the Mining Act. Failure to comply they should be revoked.**
- **The Directorate of Geological Surveys and Mines should carry out due diligence on applicants of mineral rights in order to attract competent companies in the sector.**
- **Targets of the minerals sub-sector should be revised to include number of mining leases awarded per annum.**
- **Technological and economic capacity of applicants for mining leases should be realistically evaluated before award of rights to minimise speculators in the sub-sector.**

Establishment of Mining Infrastructure

The Committee was informed that for FY 2020/21 and FY 2021/21, Non- Tax Revenue collections for the MEMD were UGX 11.856bn and UGX 5.23 bn respectively. The minerals sub-sector accounted for UGX 10bn in the FY 2020/21 and UGX 4.5bn in the FY 2021/22.

The Committee noted that although the sector has the potential to contribute significantly to the country's revenue envelope, it still faces challenges of under declaration of mined volumes by mining companies, limitations in monitoring due to lack of sufficient number of mining inspectors and insufficient funds for monitoring activities. The sub-sector relies on volume declarations by the miners since key mines lack weighbridges to ascertain mined volumes.

The Committee therefore recommends that;

- **Weigh bridges should be installed at all key mining sites to ascertain volumes mined.**
- **MEMD should be given adequate funding to recruit mining inspectors and for monitoring and supervision of mining operations.**
- **UGX 16.1bn should be provided for weighbridges, staff recruitment, establishment of E-government mineral production systems that are required to ascertain mined volumes and revenues.**

Attracting Investment in the Minerals subsector

Although the minerals sub-sector has the potential to generate revenues for the country as seen above, it has not attracted large private investment into developing of mines or value addition for processed mineral products. A total of 649 minerals rights have been awarded as per Ministry's presentation to the

Committee. Of these 341 are exploration licenses, 96 location licenses, 55 Mining leases, 148 prospecting licenses and 9 Retention licenses. The sector attracts limited mining leases that require large investment and fails to convert the other mineral rights into bankable investments that are characterized by the number of mining leases. This is partly due to large capital requirement needed to establish a mine, mineral rights hoarding from speculators and lack of investment portfolios and feasibility studies for key minerals to derisk mineral investment.

Recommendations

- **UGX 1bn should be provided for geological and feasibility studies for bankable projects.**

7.5 GENDER, LABOUR AND SOCIAL DEVELOPMENT

Underfunding for the Special Assistance Grant for Empowerment (SAGE)
The Committee observes that the SAGE programme has been operational since 2010 and in FY 2018/19, Cabinet announced a national rollout of the programme to cover all older persons aged 80 years and above across the country, targeting 200,500 older persons and 157,920 beneficiaries under the pilot programme. Out of the 200,500 older persons targeted under the national rollout, the Ministry verified and paid 174,873 (87.2%), bringing the total number of older persons reached as at 30th December 2021 to 332,793.

There are about 54,559 older persons who are not yet covered under SAGE of which 11,000 have not yet registered with NIRA and 43,559 have registered but have errors with their National IDs.

In FY 2020/2021 (4th quarter), 270,203 beneficiaries were not paid due to insufficient funding and as a result, the Programme accumulated arrears for beneficiary payments worth Ushs36.2billion. The Committee further observes that the allocation of the programme is 120 .7 billion against a funding requirement of 147.6, leaving a funding gap of 26.9 billion if the programme is to cover all the intended beneficiaries aged 80 years and above.

The Committee is further concerned that the age of 80 years leaves many people outside the scope of beneficiaries.

The Committee recommends that:

i. **UGX 36.2billion in arears for 270,203 beneficiaries that did not receive remittances in the 4th quarter of FY 2020/21;**
ii. **UGX 26.9 be provided to cover the shortfall to ensure that all the beneficiaries aged 80 years and over are covered;**

iii. **The Ministry of Gender, Labour & Social Development engage with the National Information Registration Authority (NIRA) to ensure that errors on the National IDs are corrected and the pending beneficiaries registered;**

iv. **The age for beneficiaries be revised downwards to 75 years and the amount disbursed to UGX 30,000, and a provision of UGX 100bn billion be provided to cater for the same.**

Underfunding of the Uganda Women Empowerment Project (UWEP)

UWEP was established in 2016 as an affirmative action revolving fund with the goal of empowering Uganda women to improve their income levels and their participation and contribution to economic development. The project targets women in the age bracket of 18-79 years and the beneficiaries include unemployed women, vulnerable women, with disabilities, etc. The project has benefited 16,542 projects across the country and benefitted 191,476 women to date and has a recovery rate of 72.8%.

The proposal to fuse the project with Operation Wealth Creation threatens to erode all the gains made by the project over the years and erode the elaborate structures already established. Besides, there is UGX 100.125 billion that is due for recovery from the various groups, and it is important to keep the project running so that the recoveries continue. Moreover, the Covid -19 pandemic has negatively impacted the economy and many informal businesses have collapsed as a result the need for the funds by women is growing bigger. Scrapping the fund would not be an appropriate response at this point in time, and would run counter to the Resolution of Parliament on 28th April, 2021 wherein it was resolved that the project run for another two years.

The Committee recommends that a provision of UGX 32bn is made to towards the Ministry of Gender, Labour & Social Development for the Uganda Women Empowerment Project for the second year of the transition period as per the Resolution of Parliament on 28th April, 2021.

Funding for the Green Jobs and Fair Labour Market Programme & the National Apprenticeships and Graduate Volunteer Scheme

The Green Jobs and Fair Labour Market programme seeks to provide solutions to the problem of youth unemployment in the country, especially those in the informal sector which contributes more than half of the country's GDP. The programme also helps in helping youth groups in the informal sector (jua kalis) by supporting them with business start-up toolkits, equipment and green technology, and helping them to transit from the informal to the formal sector. Given the Covid-19 pandemic and its impact on the economy, the programme is critical in helping the youth gain employment and transition to the formal sector. With the outbreak of Covid -19 and the resultant loss of jobs, the programme is a great opportunity to impart skills and create jobs. This is in line with result 6.1 of the NDP III which aims to reduce the informal sector from 51% in 2018/19 to 45% in 2024/25. The Ministry plans to allocate UGX 200m for every district annually.

The National Apprenticeships and Graduate Volunteer Schemeaims to increase access to employment, employability and productivity for youth aged 16-15 years. The specific objectives are to:

i. promote skilling, re-skilling and up-skilling of both skilled & non-skilled unemployed/under-employed youth
ii. facilitate job transition and increase productivity of youth and their host enterprises
iii. increase household incomes and livelihood security of youth

The programmes have a funding gap of UGX 50 billion, which is needed for it to be implemented in all constituencies.

The Committee recommends that UGX 50 billion be allocated to the Ministry of Gender, Labour & Social Development to have the programmes implemented.

Funding for interventions for addressing the challenge of Street Children

The Committee notes with concern that while there have been numerous attempts to address the challenge of street children, not enough has been done, and, particularly, there has not been sufficient funding. In July, 2019 Parliament appropriated UGX 3.4bn to support efforts to get children off the street by addressing the root causes and providing rehabilitation services to children resettled. Out of that money, however, only UGX 1bn was released. The Committee observes that there is need for funds to establish/improve transit centres to receive and rehabilitate the children on streets; support districts and urban authorities to withdraw, rehabilitate and resettle the children; ensure all livelihood programmes prioritize more vulnerable households as a mechanism of minimizing the street children phenomenon, among other interventions.

The Committee recommends that UGX 3bn be allocated to the Ministry of Gender, Labour and Social Development to address the problem of street children.

Funding for Gender Based Violence Shelters and mapping and skilling of teenage mothers impacted by Covid -19

There has been an increase in the number of gender based violence by 29% as a result of the Covid-19 pandemic and the resultant lockdown as noted in the Annual Crime Report, 2020. There is, therefore, need to address the causes of the violence and to provide remedies to the victims and those at risk. While there are centres in some districts in the country, these centres are established and operated by civil society organisations who depend on foreign donors. This has made them susceptible to uncertainty and some of them closed during the lockdown, compounding the problems of victims. There are 18 shelters throughout the country, and yet, going by the Annual Crime Report, the vice of gender based violence is across the country.

The shelters are also inadequate in that they do not have the requisite services such as psychosocial support and skilling and training for victims, which would go a long way in empowering them. It is important for the Ministry to establish and equip these centers in all districts, starting with regional centers.

Due to the increase in gender based violence and incidence of teenage mothers during the Covid -19 lockdown, an astonishingly a number of teenage became pregnant and the overwhelming majority of them have subsequently dropped out of formal education. The Ministry intends to place the children in Children's homes and reception centers while teenage mothers are skilled in alternative formal skills and supported with startup capital. However, there are no funds provided for this in the MTEF.

The Committee recommends that the Ministry be allocated:

i. **UGX 10 billion to establish regional gender based violence shelters in Uganda;**

Renovation of Rehabilitation Centers for Persons with Disabilities

There are 5 vocational rehabilitation centres for persons with disabilities in Uganda. These centres should play a critical role in imparting skills in PWDs to help them earn a living since it is, on average, much harder for them to get employment because of the stereotypes and discrimination that many face in society. However, all the 5 rehabilitation centres, with the exception of Ruti, are in a deplorable state, with many of them roofed with asbestos and filled up pit latrines. It is important for these centres to be refurbished and equipped with tools to make them serve the purpose for which they were meant in the first place.

The Committee recommends that UGX 10 billion be allocated to the Ministry to enable them renovate and retool the rehabilitation centres.

National Special Grant for Persons with Disabilities

The Ministry operates the National Special Grant for Persons with Disabilities whose funds are directly disbursed PWD groups. The objective of the grant is to prepare and groom Persons with Disabilities to acquire basic survival skills, reduce vulnerability and exclusion from society, for inclusive and equitable national development. The funds are accessed by PWDs as groups of 5 to 15 members; registered homes taking care of Children or PWDs; learners in vocational rehabilitation centers who are supported in groups within their districts.

At present, he fund receives 6.5bn and supports 10 groups in each district. However, there numerous groups that cannot be supported because of the limited size of the fund and there are 31 district local governments that have not been reached. At the same time, there are numerous groups that cannot be supported. The Ministry plans to scale up to 20 groups per district and cover the 31 local governments that do not benefit at present.

The Committee recommends that an additional UGX 3.4bn be allocated to the Ministry to rollout to the 31 districts that do not access the fund at present.

Presidential Pledge for older Persons

H. E. the President made a pledge of UGX 10bn on 1st October, 2016 during celebrations to mark the International Day for Older Persons. The funds are meant to be a direct cash transfer for persons aged 60-80 years. The President reiterated the pledge on 1st October, 2021. There has, however, been no provision of the funds in the MTEF, and yet there is need to cater for persons aged 60-80 because these are not catered for under the Special Assistance Grant for Empowerment (SAGE).

The Committee recommends that UGX 10bn be provided to the Ministry to cater for the presidential pledge regarding older persons.

Access to Labour Justice

While strides have been made in establishing interventions in the direction of creating jobs for various segments of society including the youth and women, little has been done in ensuring that there is adequate provision for employer-employee relations which has given rise to an increase in labour complaints and disputes.

The Covid -19 pandemic made matters worse and the Ministry registered in excess of 20, 000 labour complaints and disputes. The absence of a clear system to resolve labour disputes attracts industrial action, destruction of property, ans loss of man hours and leads to exploitation, is a violation of human rights, and impeded economic development.

The Ministry intends to construct regional Industrial Courts in Arua, Gulu, Mbarara, Hoima and Mbale; development of the case management system, rehabilitate and equip the Labour Offices as court of 1st instance with unlimited jurisdiction of all matters of labour and employment in order to expeditiously dispose of the case backlog. The Ministry requires 28.050 in FY 2022/23.

The Committee recommends that UGX 10bn be allocated to the the Ministry in FY 2022/23 to enable the implementation of the improvement of access to labour justice

Enhancement of pay/emoluments for traditional leaders
The President issued a directive that the pay/emoluments of traditional leaders be enhanced from UGX 5m to UGX 10m per month as the current payment of UGX 5m is insufficient. However, this is not reflected in the MTEF.

The Committee recommends that:UGX 840m be provided to the Ministry to enable the enhancement of of pay/emoluments for traditional leaders.

Enhancement of the Budget for the Equal Opportunities Commission
The Equal Opportunities Commission is mandated with giving effect to the country's constitutional mandate to eliminate discrimination and inequalities against any individual or group of persons and undertake affirmative action in favour of groups marginalized for the purpose of redressing imbalances which exist against them.

However, the Commission is severely underfunded and as such, the implementation of its mandate.

The Committee recommends that UGX 6.8 billion be allocated to the Equal Opportunities Commission to recruit more staff, undertake research and reporting on equal opportunities and conduct tribunal hearings.

Enhancement of the Budgets for the Councils for Special Interest Groups
H. E. the President directed the Prime Minister to ensure that the budget for the Women Council, Youth Council and Council for Persons with Disabilities be enhanced. A total of UGX 9.790,253,000 billion is required for this endeavour.

The Committee recommends that the budget of the Ministry be enhanced with UGX 9.790 billion to enhance the budgets of the councils for special interest groups in line with the Directive of the President.

7.6 COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

The Covid19 Crisis

The Committee observed that Uganda's economy has been hit hard by the COVID-19 crisis since 2020. The COVID-19 crisis led to the emergency IMF and World Bank financial assistance in June 2020 to help in mitigating the impact of COVID-19 on the economy and support mitigating measures amidst high fiscal pressures. Despite the support, estimates indicate severe income losses due to the pandemic, leading to an estimated increase in the national poverty ratio by 7.5%[8]

The Committee recommends that deliberate efforts should be instituted in the NBFP to maintain social spending at the programmed levels (above 26% of the budget) in event the economy experiences further shocks, to reduce on further worsening the already deteriorating poverty levels.

Tax policy

The Committee observed that the country has not developed a tax policy, even though. Domestic Revenue Mobilization Strategy was developed It is through the strategy that government continues with revenue efforts in the absence a tax policy.

The Committee recommends that Government should develop a tax policy to anchor revenue mobilization efforts and establish a policy framework for tax policy measures and exemptions.

Domestic arrears

The Committee noted thatthe stock of arrears have averaged about 3.2% of GDP since FY 2016/17. These are linked to widespread weakness in the PFM system but more specifically to poor budget planning, which manifests itself through numerous supplementary budgets and frequent virements. The Commitment Control system is abused where expenditure commitments are made outside the system (unauthorized spending commitments). Government should consider revising the strategy on arrears.

The Committee recommends that in order to overcome growing domestic arrears, Government should strengthen the commitment controls by instituting penalties on individuals who commit government on unauthorized expenditures; automatic confirmation of fund availability before incurring expenditure commitments; and automatic registration of invoices in the expenditure commitment module of the financial management information system.

Low performance of externally financed projects:

The Committee observed that FY 2020/21 was characterized with poor performance of externally financed projects. This signifies a key weakness in the public investment management framework. Project selection criteria is not clear creating unplanned projects. This has created delays in achieving the expected dividends to the economy as well as wastage arising from payment of commitment fees.

Public projects whose implementation is off track should be reviewed and refocused to achieve their intended objectives. In addition projects should be vigorously evaluated at all levels through the PIMS framework. Only appraised projects should be admitted to the Public Investment Plan.

Appropriation in Aid

The Committee observed that government witnessed overspending of Appropriation In Aid by over Ushs 512 billion during the FY 2020/21. This was over and above what parliament appropriated.

The Committee recommends that the Appropriation in Aid report should be submitted to Parliament quarterly as provided for in the Budget Act, 2001 to strengthen oversight and accountability over these resources.

Public Debt

The Committee observed that public debt is on the rise and projected to reach 52.7% of GDP in FY 2021/22; and the country's debt sustainability metrics are characterized with slow export growth and increasing debt service that has led to the worsening of the country's risk rating from low to moderate risk of debt distress. The reduced amount of expensive domestic borrowing and the prioritization of concessional financing will help keep debt sustainable.

The committee recommends that government should focus on keeping public debt on a sustainable path while improving the composition of spending and advancing structural reforms to create space to finance private investment, foster growth and reduce poverty. In addition caution should be taken as greater shift in the composition of financing towards non- concessional finance would increase the risk of debt distress further. Considerations by government in the NBFP to adopt pre-financing mechanisms should avoid heightening this risk.

Parish Development Model (PDM)

Government is implementing the Parish Development Model (PDM) as a mechanism aimed at alleviating poverty by targeting 39% of households still outside the money economy. In FY 2021/22 government released Ushs 200 billion to kick start preparatory activities. However, these activities remain outstanding like recruitment, information systems, among others. In addition Ushs 205 billion has been added to PDM in FY 2022/23 obtained from various wealth funds, excluding Emyooga and youth funds.

Emyooga is a presidential initiative aimed at wealth and job creation by supporting vulnerable groups, including women, youth, and persons with disabilities. All economically active can benefit from this initiative. Seed capital of Ushs 100 billion was provided and implemented by the Microfinance Support Centre.

All these funds seem to be targeting the same beneficiaries with different objectives. This is also in addition to existing affirmative action funds like NUSAF, Urban Labour- Intensive Public Works program, Senior Citizens Grant (SAGE), among others.

The committee recommends rationalization of all social assistance programs that are being implemented by various institutions and at different levels into a national social assistance program under one institution to reduce duplications and enhance public sector efficiency.

Rationalization of Public Institutions

During the FY 2022/23, government has prioritized rationalizing government to promote efficient and effectiveness of interventions. However, information on the particular institutions to be rationalized for better planning and identification of any cost savings is not provided.

The Committee recommends thatgovernment should incorporate the implications of the planned rationalized institutions in the national budget estimates for FY 2022/23 and the medium term to guide planning and budgeting.

7.7 VOTE 008: THE MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Implementation of the Emyooga Program – UGX100Bn

The Committee observed that the Microfinance Support Centre was designated as the leading Implementing Agency for this programme, in the following phases;

a) Community Mobilization and Identification of beneficiaries

b) Registration of parish based groups and Constituency EMYOOGA

c) SACCOs
d) Training and member education
e) Disbursement of funds and;
f) Monitoring and provision of technical support/Business Advisory

The Committee further observed that as a result of the Emyooga program, the saving culture in the country has improved significantly. The Committee noted that while Government released UGX200bn to SACCO's country-wide, SACCO members saved an additional UGX100Bn/= in their respective SACCO's since the commencement of the Emyooga Program. This indicates mind-set change as a clear direct consequence of the Emyooga Program.

The Committee further observed that an additional UGX100Bn to Micro-Finance Support Centre to offer more credit funds to SACCO's and Cooperative Unions is required by Micro Finance Support Centre.

The Committee recommends that additional UGX100Bn be allocated to the Micro Finance Support Centre to enable the expansion of the scope of beneficiaries in the Emyooga Program;

Contribution to NDPIII Programmes

MoFPED contributes to 4 NDPIII programmes which are; i) sustainable petroleum development, ii) private sector development, iii) governance and security strengthening, iv) Development Plan Implementation. However the ministry's contribution towards private sector development has been mixed with interest rates remaining high largely due to expansionary fiscal policy stance that has crowed out private sector. In its contribution towards sustainable petroleum development, subventions are disbursed to the National Oil Company which participates in oil developments on behalf of Government. However, UNOC remains under capitalized in preparation to invest in the commercial oil industry by Ushs 77 billion.

The committee recommends that government should cap domestic borrowings to finance the budget deficits at not more than 1% of GDP per annum; and instead opt for concessional external finance of the deficits over the medium term.

Government should provide additional UShs 77 billon to UNOC to increase its capitalization to levels sufficient to meet its statutory requirements in

the PSAs. However, the Committee noted that UNOC should float shares on the Capital Markets to ensure it is well capitalised.

Performance of the Development Budget

During the FY 2020/21, the expenditure performance for externally financed projects indicated low absorption, at 72%. The vote had two projects to which this performance relates; Financial Inclusion in Rural Areas [PROFIRA] of Uganda whose absorption was at 62% and Resource Enhancement and Accountability Programme (REAP) whose key result areas performed at an average of 41%. Reasons for poor performance for REAP are attributed to the COVID-19 pandemic which halted most the activities that were to be executed.in addition the design of REAP as an accountability programme excluded Parliament as a key pillar in ensuring accountability of the national budget.

The Committee recommends that the ministry adheres to the work plans of the projects to improve on project performance; and review REAP to include Parliament in the accountability process. This is because the institution of Parliament's capacity remains weak in ensuring accountability for all budgetary resources.

Parish Development Model

The Committee noted that during the half period of FY 2021/22, the Programme Based budgeting system and the chart of accounts were upgraded to support the implementation of the NDPIII and the Parish Model. Further during the FY 2021/22, Ushs 200 billion was released for all parishes in the country to recruit 10,594 Parish Chiefs; data collection to guide planning and implementation; creation of Parish Committees; development of implementation guidelines and orientation of stakeholders; and setting up an implementation unit. However, what is outstanding is the training of local government officials and Parish Chiefs; alignment of sub program plans and budgets to the PDM; operationalization of the community information system; establishment and strengthening of community based financial institutions; and strengthening the legal and policy framework for the Model.

During the FY 2022/23, government has increased PDM resources by Ushs 265.48 billion, to reach Ushs 465.48 billion, despite outstanding requirements above, necessary for proper implementation of the Model.

i) **The committee recommends that Ushs 465billion be provided for the Ministrt to continue with preparatory activities and put in place a framework that will enable all pillars of the model function efficiently.**

ii) **The Ministry of Finance, Planning and Economic Development should also provide additional funding of Ushs 40Bn for Pillar3 of the Parish Development Model;**

iii) **The Ministry of Finance, Planning and Economic Development with a clear road map for the Parish Development Model implementation program in order for the Committee to make informed decisions**

Public Investment Management (PIM)

The ministry finalized the PIMS policy and manual and trained 45 staff of MDAs in project appraisal to support effective public investment management. While this is welcome, NPA should take lead in coordinating appraisal studies with MDAs. Medium term fiscal forecasts are not prioritizing project implementation and budgeting. A clear selection criteria and oversight are lacking leading to unplanned projects to be included in the budget and implementation challenges.

The Committee recommends that government should improve the use of medium term fiscal envelope forecasts to achieve better project prioritization and capital expenditure budgeting. Government should publish and adhere to a well-defined selection criterion to avoid unplanned projects to the budget. Parliament and other institutions should be strengthened to provide rigorous public investment oversight.

Government Balance Sheet:

As government reviews available financing options and considers new ones included in the development financing strategy, it will be prudent for government to estimate its net worth. However, the Accountant General's Office has not developed and published the government balance sheet that includes valuations changes from previous periods.

The Committee recommends that Government should with effect in FY 2022/23 publish the consolidated government balance sheet to track the net worth of government over the medium term.

7.8 VOTE 108: NATIONAL PLANNING AUTHORITY

Construction of Planning House – UGX15Bn

The Committee observed that the National Planning Authority have plans to construct new premises to house the Authority Offices, based on the space to meet its current and future needs. The Committee learnt that the decision to construct new office premises was reached after reviewing various options for meeting this need including the re-modelling of the current office building.

The Committee further observed that whereas the government is considering relocating government Ministries, Departments and Agencies to Bwebajja, NPA already has land for the development, and there are financing opportunities that will be exploited when cleared by government. These financing opportunities include the Capacity building programme by African Development Bank, PPPs and Joint ventures. The Authority requires UGX15Bn for this purpose.

The Committee recommends that UGX15Bn be allocated to the National Planning Authority to construct Planning House.

Mid-Term Review of NDPIII and End Evaluation of NDPII – UGX3.65Bn

The Committee observed that NDPIII Mid-term Review and NDPII End Term Evaluation are the basis for preparing the Fourth National Development Plan (NDPIV). Their timely completion will guarantee timely production of NDPIV especially with the transition to the programme-based approach.

The Committee learnt that previous lessons indicate that timely finalization of NDPIII was hindered by the delayed completion of NDPII Mid-term Review and evaluation of NDPI, and yet the thematic reports proposed key reforms and recommendations that are critical in facilitating attainment of National objectives.

The Committee was further cognisant of the fact that COVID19 has had an impact on implementation of government plans including forcing reprioritization. This therefore has implications on macro and MTEF aggregates critical for planning post covid-19 recovery.

The Committee learnt that the purpose of this Mid Term review and NDPII End Term Evaluation is five (5) fold;

a) It will foster ease of attribution and contribution of the NDP results that are critical for NDPIV,
b) Owing to Post Covid19 recovery, this evaluation of NDP findings is critical for incorporation and informing the; strategic direction, planning and budget in line with the PFM Act, 2015.
c) Based on the lessons learnt from experience, the mid-term and end evaluations lessons will be leveraged to inform current and future programmes and projects to be improved.
d) Transparency: Evaluations illustrate transparency and the responsible utilization of the resources and explain the results and their effects to inform the NDPIV Process.
e) Deepen understanding and knowledge and understanding of the assumptions, options and limits of the NDPIII programme evaluations hence contributing to a comprehensive development discussion

In order to effectively carry out the mid-term review and the end evaluation of NDP2, the Authority requires an additional UGX 3.65 billion to carry out the mid-term NPD3 review and end term NDP2 evaluation.

The Committee recommends that an additional UGX 3.65 billion be allocated to National Planning Authority to carry out the mid-term NPD3 and end term NDP2 evaluation.

Recruitment of 61 staff (Salary, Gratuity, NSSF, Medical etc) – UGX4.5Bn

The Committee observed that the recommended staffing level currently is at least 75%. However, the staffing level of NPA as at 30th June 2021 was 61.3% i.e. (111 of 181). Through a phased process, the Committee learnt that NPA will recruit more staff until the structure is full in compliance with the Public Service recommended structure.

The Committee observed that the recruitment of staff for the Authority is already justified by the increasing need for NPA to support the implementation of NDPIII; the requirement by the Public Finance Management Act 2015 to issue certificates of compliance based on acceptable assessment procedures at different levels of government; the adoption of regional and global agenda; the increased number of districts that require the capacity building support on planning; and the drive by NPA to achieve excellence in delivering on its mandate. The Committee observed that the Authority requires UGX4.5Bn to recruit at least 61 staff, including payment of salaries, gratuity, pension and medical insurance.

The Committee recommends that UGX4.5Bn be given to the National Planning Authority for the recruitment of 61 staff including payment of salaries, gratuity, pension and medical insurance.

Undertaking Pre-Feasibility Studies - UGX 2.54Bn

The Committee observed that poorly implemented projects in Uganda are born from an absence of pre- feasibility studies to assess the viability of projects prior to their undertaking. The Committee further observed that the Development Committee (DC) Guidelines 2016 require all MDAs to prepare detailed feasibility studies before they seekfinancing. NPA is mandated to support MDAs in preparation of projects,including taking lead in the implementation, planning and monitoring of coreprojects.

In the FY 2022/23, the Committee observed that the Authority plans undertake feasibility studies to inform public investment in value addition andinfrastructure development in priority areas including; the establishment of a glass-manufacturing facility in Uganda, Animal Vaccines Manufacturing and Commercialization, Cold Chain post-harvest handling infrastructure, Development of a Local Packaging Industry, Value Chain for the Construction Industry and Investment in a local construction industry.

The Committee recommends that an additional UGX 2.54Bn be allocated to National Planning Authority to undertake feasibility studies for the following projects;-

a) UGX1.7Bn for the Establishment of Glass Manufacturing Facility in Uganda

b) UGX0.84Bn for Animal Vaccines Manufacturing and Commercialization, Cold Chain post-harvest handling infrastructure, Developing of a Local Packaging Industry, Value Chain for the Construction Industry and Investment in a local construction industry

through surveying, fencing and titling for 5 Industrial and Business Parks across the country.**

Targeted investment promotion

The Committee observed that the modern approach to investment promotion is based on researched business intelligence which is sold as Foreign Direct Investment (FDI) intelligence tools.

The Committee observed that there is need for UIA to adopt these new tools in order to remain globally competitive and effective in its promotional efforts hence the need to purchase and use FDI intelligence tools in targeted investment promotion. This activity is budgeted for at UGX 500m but no funds have been allocate towards it.

The Committee recommends that Government provide UGX 500m to UIA to enable it purchase FDI intelligence tools for targeted investment promotion.

7.10 VOTE 313: CAPITAL MARKETS AUTHORITY

Investor and issuer outreach programs - UGX583,000,000/-

The Committee observed that capital markets are an underexploited portfolio for investment and saving. The Committee observed that the Authority needs to be facilitated to enable it extend its reach to potential investors and issuers in the country, beyond Kampala. The Authority requires funding to traverse the country and sensitize people through radio and television on the opportunities available in the capital markets for both potential investors and potential issuers.

The Committee recommends that Capital Markets Authority be allocated UGX 583,000,000/- for the purpose of implementing Investor and issuer outreach programs all across the country. This shall help expand the reach of the capital markets for both potential investors and potential issuers.

Setting up a nationwide media campaign - UGX220,000,000

The Committee observed that Capital Markets Authority is inadequately promoted to makes its mandate visible and relatable to ordinary Ugandans.

7.9 VOTE 310: UGANDA INVESTMENT AUTHORITY

Development of Industrial and Business Parks – UgShs 1.5Trn

The Committee observed that for UIA to meet the targets of the Regional Industrial Parks Strategy, with a minimum target of 5 industrial and business parks spread across the country, there is need to secure the land (fencing, surveying & Titling) and operationalise the parks through the Memorandum of Understanding the Authority currently has with National Enterprises Corporation/ Uganda People Defence Forces to fast track the Industrialisation agenda across the country.

The Committee noted that the funds herein requested for by UIA in relation to the industrial parks

i) Establish eco-friendly fully serviced agro-industrial parks/export processing zones to stimulate and expand Agro-processing.
ii) Establish a strategic mechanism for importation of Agro-processing technology
   a) Establish a scholarship and apprenticeship
   b) programme in strategic Agro-industries
   c) Establish an exchange programme for practitioners in the Agro-industry value chain with countries that have appropriate Agro-processing technologies
   d) Amend the investment law to enable foreign and local investment partnership (300 bn is required to secure and setup each industrial park)

In order for UIA to implement the Regional Industrial Parks Development Programme, there is need for the Authority to purchase at least five (5) industrial and business parks spread across the country, secure the land through surveying, fencing and titling, and undertake feasibility studies on the land for the construction of industrial and business parks. This will enable the Authority to meet the set targets of implementation of the Regional Industrial Parks Strategy. This activity requires UGX 1.5Tn which has not been provided for in the budget.

The Committee recommends that UGX1.5Tn be allocated to Uganda Investment Authority to undertake feasibility studies on and secure land,

In order for the Authority to extend its visibility to the rest of the country outside the capital city, the Committee observed that the Authority needs to set up a nationwide media campaign if it's to promote awareness of its mandate among ordinary Ugandans. This will necessitate Training of Trainers, especially teachers. The Authority therefore intends to engage Uganda's educators and make them its ambassadors in schools, in order to expose students to the capital markets' operations. The Committee noted that CMA requires an additional UGX220,000,000 for setting up a nationwide media campaign.

The Committee recommends that an additional UGX220,000,000 be allocated to Capital Markets Authority for the purpose of;-

i. **setting up a nationwide media campaign;**
ii. **Training of trainers, especially teachers, on the mandate of CMA.**

7.11 VOTE 143: UGANDA BUREAU OF STATISTICS

The National Population and Housing Census (NPHC) – UGX 288.5Bn
The Committee observed that UBOS requires additional resources to enable it carry out the National Population and Housing Census, which was initially planned for the FY 2021/22. The Committee learnt that the NPHC is a multi-year project, with UGX285Bn being ear marked in the FY 2022/23 for this purpose.

The Committee noted that demographic and socio-economic data are useful for planning and evidence-based decision making in any country. Such data are collected through Population Censuses, Demographic and Socio-economic Surveys, Civil Registration Systems and other Administrative sources. In Uganda, however, the Population and Housing Census remains the main source of demographic data.

The Committee was further cognisant of the urgent need to adequately plan for the post-Covid19 dispensation through data collection, analysis and application geared towards economic growth and transformation. If the country is to build back stronger and better, the first step is a well-executed population and housing census of who it is exactly the country is planning for.

The Committee recommends that an additional UGX 288.5Bn be allocated to Uganda Bureau of Statistics to undertake a National Population and Housing Census.

7.12 VOTE 314: NATIONAL LOTTERIES AND GAMING REGULATORY BOARD (NL&GRB)

Rationalization of NL & GRB

The Committee observed that the government, in a bid to eliminate duplicity of mandates across MDA's, has embarked on a massive rationalisation and merger of government entities' exercise. The Committee further learnt that government intends to merge the NL & GRB with the Ministry of Finance, Planning and Economic Development as part of this exercise.

The Committee observed that the NL & GRB is a unique institution whose mandate is impossible to duplicate as a regulator of the gaming industry; an industry that grows in prominence as the economy grows. Without a well-funded regulator of the gaming industry, Government runs the risk of abandoning a risk-prone industry and leaving it largely self-regulated, to the detriment of unsuspecting citizens.

The Committee further took cognizant of the contribution of the NL&GRB to the country's resource envelop. Inspite of Covid19 that necessitated the lockdown of land-based gaming premises, the Committee noted that the NL&GRB contributed UGX43.4Bn against a set target of UGX45Bn towards the national economy in the first half of the FY 2021/22.

The Committee recommends that the National Lotteries and Gaming Regulatory Board be left as an autonomous entity in the on-going rationalisation and merger of MDA's by government, in order to adequately regulate the lotteries and gaming industry.

National Central Electronic Monitoring System – UGX 0.683Bn

The Committee observed that the expansion of the lotteries and gaming industry country-wide has brought with it economic benefits through increased revenue collections, whilst posing a risk of promoting unhealthy gambling habits among Ugandans. As earlier noted, the gaming sector contributed UGX43.4Bn to the economy, notwithstanding limited resources for monitoring gaming activities country-wide.

The Committee further observed that in order to protect Ugandans from the risks associated with gambling, the Gaming and Lotteries Act of 2016 set standards under Pat VI of the Act, for the installment of gaming and betting machines and the conduct of gaming and betting in general. However, with the scope and nature of gaming and betting as a widely spread and ever-growing industry, a central electronic system shall help ensure easy of supervision by the Board.

The Committee noted that the procurement of the NCEMS shall ensure increased revenue collection, ensure responsible gaming among youth, and alleviate against money laundering.

The Committee recommends that UGX 6.33Bn be allocated to the National Lotteries and Gaming Regulatory Board for the procurement of a National Central Electronic Monitoring System.

7.13 VOTE 129: FINANCIAL INTELLIGENCE AUTHORITY (FIA)

Recruitment of additional staff – UGX2.5Bn.

The Committee observed that FIA has an approved staff structure of 83. Currently, only 41 of the staff structure is filled representing a staff capacity of 49%. The Committee observed that these staffing levels are too low and this has caused significant performance gaps during the course of executing the FIA mandate. The Committee proposed a phased recruitment starting with recruitment of 21 staff in FY 2022/2023 and additional 21 in FY 2023/2024. This requires UGX2.5Bn to be allocated to FIA for the recruitment of 21staff in the FY2022/23.

The Committee recommends that FIA is allocated an additional UGX2.5Bn for the recruitment of 21 staff in the FY2022/23.

7.14 VOTE 316: UGANDA FREE ZONES AUTHORITY (UFZA)

Untitled Land at Buwaya

UFZA intends to create an enabling environment aimed at enhancing economic growth and development of export oriented manufacturing in priority sectors of the economy; by establishing industrial infrastructure to attract developers and operators; providing innovative investor support services, and acquiring more land for development of Free Zones.

The Committee noted that UFZA has listed among its unfunded priorities; development of 109 acres in Buwaya Public Free Zone in Wakiso district, to a tune of UGX116.4bn, to provide for Industrial Infrastructure for export led growth.

However, the Committee observed that the Ministry of Land, Housing and Urban Development is yet to issue a title to UFZA for the 109 acres land at Buwaya, inspite of the fact that there is no legal contest to ownership of the same.

The Committee recommends that the Ministry of Lands, Housing and Urban Development expedite the issuance of the title to the 109 acres of land in Buwaya in possession of UFZA in order to enable the Authority to embark on the development of the land for export-led growth.

Completion of the Entebbe International Airport Free Zone – UGX28.2Bn

The Committee observed that Entebbe International Airport Free Zone will upon completion house seven production units and a Trade house that will host offices of UFZA, URA and other Government offices to facilitate smooth flow of business in the Zone.

The proposed sectors for the project include: food processing (agro-processing), mineral processing, warehousing, storage and simple assembly among others. All Operators in this Public Free Zone will process their products for onward export through Entebbe International Airport.

The Free Zone is expected to create at least 240 direct jobs and significantly contribute to an increase in Uganda's exports. It will also directly contribute cargo volumes to recently revived Uganda Airlines thereby boosting its business as the company secures more routes. In order to effect this, UFZA requires UGX 28,240,000,000 to complete the project.

The Committee recommends that an additional UGX 28,240,000,000 be allocated to UFZA to complete the construction of the Entebbe International Airport Free Zone.

7.15 VOTE 141: UGANDA REVENUE AUTHORITY

Tax Register

The Committee observed that 189,377 new taxpayers were registered as at the end of FY 2020/21, representing a performance of 79.20%. The taxpayer register as at the end of the FY 2020/21 stood at 1,783,493 clients.

The Committee observed that while the tax base expanded, it was not adequate enough to mark an increase in the tax-to-GDP ratio, which remains low at 13%. The Committee noted that Uganda Revenue Authority needs to find new and innovative ways to expand the tax base beyond the current 1,783,493 clients.

The Committee calls for the improvement in the efficiency, effectiveness and transparency of revenue administration by modernizing the tax system through innovative IT solutions, instead of imposing new taxes every Financial Year which further burdens the already existing small number of tax payers.

Assessment of tax incentives given to Investors

The Committee noted that while there is no clear policy guidelines for the issuance, management and monitoring of the different tax benefits and incentives issued by the Government to different investors; URA also doesn't have any mechanisms of measuring the impact of these incentives to assess government's benefits, thus exposing the scheme to mismanagement and abuse.

The Committee therefore recommends that a comprehensive study and assessment is undertaken on the beneficiaries of the tax incentives to measure the impact of these on Uganda's economy and ensure that there is no abuse of such tax benefits.

The Committee further recommends that Government develops clear policy guidelines for the issuance, management and monitoring of the different tax benefits and incentives issued by the Government to different investors.

Staff welfare enhancement initiative - 106.00 Bn

The Committee observed that the Authority last undertook a review of salaries of its officers in 2014. Since then, despite variations in the cost of living, URA officers have maintained a similar salary over the years. The Committee noted that in light of the sensitive nature of the tax collector's functions, their welfare enhancement is a key component in the transformation of the Authority into a transparent corruption-free body.

The Committee recommends that UGX105Bn be allocated to Uganda Revenue Authority to enhance staff welfare including salaries, emoluments and other benefits.

Non-Intrusive inspection of Goods at entry points - ASYCUDA interface & maintenance costs – UGX10Bn

The Committee observed that the Authority requires UGX10Bn for the procurement of scanners to enable the non-intrusive inspection of goods at entry points. This shall ensure efficiency as a tax mobilisation strategy.

The Committee recommends that UGX10Bn be allocated to Uganda Revenue Authority for the procurement of non-intrusive inspection of goods at all entry points into the country.

Regional Electronic cargo tracking-2000 e-seals – UGX 6.31 Bn

The Committee observed that the Authority requires UGX6.31Bn for the procurement of regional electronic cargo tracking e-seals.

The Committee recommends that UGX6.3Bn be allocated to Uganda Revenue Authority for the procurement of regional electronic cargo tracking.

7.16 VOTE 163: UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Establishment of a National Micro- Pension Scheme

A micro pension is a financial security scheme for investors or individuals with a low income. It combines both the elements of a usual pension scheme and specific features of microfinance.

The Committee observed that with the support of the Government, the Authority commissioned a study onExtending Pension Coverage to Informal Sector Workers, and a survey on Attitudes,Knowledge and Savings Preferences for Retirement. The findings from these studies facilitated the development of a

Strategy for Extending Pension Coverage to Informal Sector Workers, and the development of a Blueprint for an inclusive, secure,affordable, and sustainable National Micro-pension Scheme for Uganda.

The Blueprint for the National Micro-pension Scheme aims to leverage existing, well- regulated digital financial inclusion infrastructure, including digital payments, for comprehensive pension inclusion. Currently, the Authority is developing an Operational, Governance and Legislative Framework for the National Micro Pension Scheme. For the FY 2022/23, the Authority requires funding of UGX2,178,300,000 for this exercise.

The Committee recommends that URBRA is allocated UGX 2,178,300,000 for the purpose of;-

a) **developing retirement literacy tools and delivery strategies, for informal sector workers and self-employed client groups**
b) **Development of Pension Tech features/requirements and the Centralized Administration System**
c) **Build and pilot test the scheme's administration system, product architecture, communications strategy and delivery.**

7.17 VOTE 317 UGANDA MICROFINANCE REGULATORY AUTHORITY

Inadequate Transport

In pursuance of its mandate to support the sustainable growth of Tier 4 Microfinance Institutions and Moneylenders through effective regulation, licensing and supervision; the persistent absence of transport facilities is still a hindrance to field operations. The Authority currently has only two vehicles. In FY 2022/23, UMRA requires UGX bn to purchase vehicles to facilitate the onsite and offsite monitoring, licensing and enforcement functions of the Authority. Further the Authority also requires UGX lbn towards facilitation of expenses to field staff under the umbrella of travel inland.

The Committee recommends that UGX 1.6bn be allocated to UMRA towards purchase of vehicles and facilitation of field staff.

Wage bill

The Committee observed that the micro saving and lending industry has continued to register growth and for UMRA to match this growth to provide adequate regulation, it needs to increase its capacity in terms of human resources and technical know how to deal with multitudes of players. To this end UMRA has a shortfall of Ushs 3 billion in the wage bill to fill its staff structure.

The Committee recommends that Ushs 1.8 billion be provided to enable UMRA recruit additional staff and the remaining be provided over the medium term to increase UMRA coverage countrywide.

Supervision and Licensing

Due to the effects of the pandemic of COVID-19, some MFIs could have closed, others suspended businesses due to weakening of their liquidity positions. Therefore UMRA will require to roll out licenses in all areas to support transformation, consumer protection, reduce savings and investment losses. During the FY 2022/23, this will require Ushs 2 billion.

The committee recommends that UMRA be provided with additional Ushs 2 billion to roll out the licensing regime across the country; and also increase its oversight on MFIs especially in the rural areas in FY 2022/23.

Development Budget

The Committee observed that UMRA is operating in absence of a management information system to support operations; no transport equipment- UMRA has only 1 car for field activities; limited skills especially with the onset of Islamic finance. To this end UMRA will require 22.63 billion under the development budget to procure vehicles (Ushs 4.85 billion); ICT and Management Information Systems (Ushs 17.78 billion).

The Committee recommends that government prioritizes funding UMRA's capital budget to a tune of Ushs 22.63 billion under the Retooling project to enable the entity perform its mandate during the FY 2022/23.

7.18 VOTE 153: PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

Expansion of Audit Coverage and investigations

In the delivery of its mandate, PPDA conducts procurement and disposal audits which require travel to all MDA's and LG's in Uganda and given the ever increasing number of Agencies and Local Governments there is ever increasing need for an increment on this line. Currently the Authority conduct its Audits on a sample basis and the existing resource envelope can only permit an audit coverage of 30%. This situation has been worsened by the closure of the Governance, Accountability, Participation, and Performance Program (GAPP) which has been supporting some audits in Northern and Central Regions.

The Committee recommends that the PPDA be provided with UGX 4.7Bn to expand the current Audit Coverage to at least 70%. This will go a long way in ensuring that the Authority achieves the desired audit levels for effective performance.

Monitoring the Implementation of local Content and Reservation Schemes in Public Procurement

As part of Government policy, PPDA regulations were amended in the FY2017/18 to promote Buy Uganda Build Uganda (BUBU) by creation of reservation schemes for goods, works and services; The Authority reviewed the reservation schemes guidelines in public procurement in an attempt to promote the facilitation of local providers.

However, it was noted that some Entities do not implement these guidelines and this therefore requires close monitoring of Entities to ensure that the guidelines are fully implemented with an aim of spurring growth of local enterprise.

The Committee recommends that the Authority be supported in order to effectively carry out its monitoring mandate to a tune of UGX 2.5bn for effective monitoring of the implementation of local content in public procurement.

Recruitment of Additional Staff

The Authority requires additional staff to manage its ever expanding mandate and to expand audit coverage. The Authority has vacancies in key positions which has resulted into delays in implementation of activities and a very heavy workload for the existing staff. The Authority requires UGX 1.5 bn to recruit additional staff.

The Committee recommends that Government provide the Authority with UGX1.5bn for staff recruitment.

7.19 VOTE 131: OFFICE OF THE AUDITOR GENERAL

Expanding range and scope of audits (including PDM, Local Government audits, CFM, Forensic and Specialised Audits - UGX16Bn

The Auditor General is required by law, to audit and report on all public accounts of Uganda and of all public offices. However, due to inadequate funding the office is unable to cover its entire audit population especially the ever increasing Local Governments and schools resulting in accumulation of backlogs. In addition, the office has been subject to amplified demand for VFM audits, specialized audits and forensic investigations. To this effect the Office of the Auditor General needs UGX 16bn to carry out the various audits under its ever-expanding portfolio.

The Committee recommends that UShs 16Bn be allocated to the Office of the Auditor General to enable it audit the Parish Development Model, new local governments and specialized audits.

Stakeholder Engagement and International Obligations

In order to enhance the profile of the OAG among key stakeholders, the Office needs to engage key stakeholders with regard to its work. These stakeholders include the media, Parliamentary Committees, Civil Society, the executive, collaborating agencies, development partners and other SAIs. This will enhance uptake of audit results, increase awareness on aspects of public accountability, facilitate fostering of productive partnerships and; boost citizen participation in management of public resources. In addition, the Office harbors international responsibilities as a member of INTOSAI. Specifically, SAI Uganda was assigned by the INTOSAI Community to chair the INTOSAI Working group on Extractive Industries (WGEI) since 2013 and the term of SAI - Uganda as Chair of WGEI was recently extended to 2022. To meet these additional responsibilities, the office requires UGX 0.92bn additional funding to build capacity in Extractive Industry audits, facilitate participation in international seminars and workshops on extractives, operationalize the secretariat and conduct collaborative audits with other SAIs.

The Committee recommends that the Office of the Auditor General be allocated UGX 0.5bn in order to effectively undertake the above mentioned stakeholder engagement activities and participate in the International arena.

The Committee further recommends that the Officer of the Auditor General be allocated UGX0.92Bn to build capacity in Extractive Industry Audits.

7.20 COMMITTEE ON HEALTH

7.20.1 VOTE 014: MINISTRY OF HEALTH

Proposed Health Budget Cuts in FY 2022-23

The Committee was informed that the Ministry of Finance, Planning and Economic Development was proposing to raise additional funds through rationalization of various budgets for Agencies across a number of Votes. Consequently, a total of UGX 113.14 billion has been proposed from the following Votes (Table 13). Whereas the Committee is in support of any efforts by Government to raise additional resources for purposes of implementing critical priorities in line with NDP III, it has found that effecting cuts under the health sector will grossly affect the planned implementation of key health sector interventions and further curtailing the attainment of NDP III Human Capital Development outcome indicators since many of the interventions are underfunded.

Proposed Health Budget cuts FY2022-23 (UGX, BN)

Vote	Entity/MDA	Non-Wage	Dev't	Total
014	Ministry of Health	3.61	12.00	15.61
107	Uganda AIDS Commission	0.40	0.28	0.68
115	Uganda Heart Institute	5.04	-	5.04
116	National Medical Stores	80.00	-	80.00
127	Uganda Virus Research Institute	2.10	2.10	4.20
151	Uganda Blood Transfusion Service (UBTS)	0.75	-	0.75
401	Mulago National Referral Hospital	2.36	4.50	6.86
Total		**94.26**	**18.88**	**113.14**

Source: Addendum to NBFP FY 2022-23

The Committee recommends that Parliament reverse this proposal and instead have these funds saved under the various votes to which they were earmarked to finance the critical interventions planned in FY 2022-23 under the various Agencies as indicated in Table above.

National Ambulance System Service

The Committee was informed that whereas the Ministry of Health developed and launched a National Ambulance Policy to streamline the operation and efficiency in health service referral system across the country; this is still hampered by inadequate number of ambulances of both types A, B and C.

Whereas Type A is being phased out, there is a funding gap of shs 167.[illegible] billion required to purchase 219 Type B at a total of shs 59.1 billion, Type C 15 at shs 5.6 billion, one boat ambulance at shs 0.54 billion, 50 paramedic bikes at shs 0.75 billion, operationalization of 8 regional call and dispatch centres at shs6.7 billion and staffing at shs12.67 billion annually. In addition, there is need for shs 29.2 billion and shs 44.7 billion for ambulance operation on the road and for boats respectively as well as other call centre operation costs amounting to shs4.2 billion.

The Committee recommends that additional funding of shs 73.05 billion be provided in the FY2022/23 as follows:

- **109 Type B ambulances at Shs 31.6 billion**
- **Operation of 8 regional call centres at shs 6.7 billion**
- **Staffing at shs 7 billion**
- **Operational costs for road ambulances at shs 15 billion**
- **Boat ambulance at shs 10 billion**
- **Operational costs for the call centre at shs 2 billion**
- **50 paramedic bikes at shs 0.75 billion**

Inadequate funding for Health Promotion and Education

The Committee noted that there is increased disease burden arising from non-communicable diseases such as diabetes, cancer and cardiovascular diseases among others, which are preventable. This is attributed partly to inadequate promotion and education of the population about health living and promotion of primary healthcare among communities. The Committee was informed that a total of UGX 5 billion is required to expand community level health promotion and education but only UGX 2.99 billion has been allocated in FY 2022-23 leaving a funding gap of UGX 2.01 billion.

The Committee recommends that UGX 2.01 billion required to expand community level health promotion and education in lower level health facilities be provided in FY 2022-23 as mechanism to cut-back on the cost of health financing.

Non-functionality of Health Centre IVs

Many Health Centre IVs have remained non-functional due to various reasons. According to the Annual Health Sector Budget Performance FY 2020-21, a total of 218 HC IVs that reported only 187 (86%) were able to carry out C/S. However, 87 of these do not have blood transfusion services. In addition, almost all new HC IVs do not provide Comprehensive Emergency Obstetric and Newborn Care (CeMNOC) services due to lack of staff and equipment.

The Committee was informed that a total of UGX 13.32 billion is required to functionalize 111 Theatres at HC IVs by equipping them with blood transfusion services but only UGX 4.8 billion has been provided in the MTEF leaving a funding gap of UGX 8.52 billion.

The Committee recommends that an additional UGX 8.52 billion should be provided in a phased manner starting with UGX 4 billion in FY 2022-23 to provide for blood storage equipment in HC IVs that do not have.

Inadequate Funding for Regional Equipment Workshops

The Committee noted that many of the few existing diagnostic equipment procured by Government are non-functional due to minor faults that could otherwise be repaired and or serviced through the Regional Equipment Workshops. However, this is not usually the case as these workshops lack the resources to carry out the necessary repairs and maintenance service. In addition, the available budgetary provisions cannot support procurement of the required service equipment to facilitate proper repairs and service maintenance works.

The Committee was informed that a total of UGX 15 billion is required to functionalize Regional Equipment Workshops through procurement of the attendant servicing equipment, recruit the required staff and train more of the much needed Bio-medical engineers. However, only UGX 2.7 billion has been provided in the MTEF for FY 2022-23 leaving a gap of UGX 12.2 billion.

The Committee recommends that UGX 12.2 billion required to fully functionalize regional equipment workshops should be provided in a phased manner starting with UGX 5 billion in FY 2022-23 to support this critical intervention.

Inadequate Funding to Support National Health Insurance Scheme

The Committee noted that whereas the health sector remains critically underfunded with high dependency on external financing, Government has not demonstrated willingness in fast-tracking the National Health Insurance Scheme (NHIS) yet it is the sure way of increasing budgetary resources needed to support universal health coverage.

The Committee was concerned about the meagre budgetary allocation to fast-track the National Health Insurance Scheme Bill totaling to UGX 0.4 billion and out of this, only UGX 0.33 billion is projected for FY 2022-23. This leaves a funding gap of UGX 0.07 billion. With this funding, it means that there are no plans to have the NHIS implemented in the FY 2022-23.

The Committee recommends the Government should demonstrate its willingness to implement the National Health Insurance Scheme within

next FY 2022-23 by earmarking adequate resources not only for processing of the legal framework but also for actual implementation of the Scheme in a phased manner.

Inadequate Funding to Support Renovation & Equipping of Hospitals & Health Centres

The Committee supports Government efforts to renovate and rehabilitate Hospitals and Health facilities which are in dilapidated state across the Country on a case by case basis. In addition to the on-going exercise of upgrading of HC IIs to HC IIIs and HC IIIs to HC IVs in line with Government policy of a HC IV and HC III per constituency and Sub-county respectively.

The Committee was informed that out of UGX 270 billion required to undertake renovation and equipping dilapidated hospitals and health centres, only UGX 200 billion has been earmarked in the MTEF for FY 2022-23 leaving a funding gap of UGX 70 billion.

The Committee recommends that UGX 70 billion should be provided in FY 2022-23 to ensure that the renovation and equipping of hospitals and health facilities is fast-tracked as a means of de-congesting Regional and National Referral Hospitals to enable then provide the much needed specialized health care.

7.20.2 VOTE 116: NATIONAL MEDICAL STORES (NMS)

Inadequate Funding for Essential Medicines and Health Supplies

The Committee noted that out of UGX 335.04 billion required to provide for adequate essential medicines and health supplies (EMHS) under the categories listed the Table 14 below. However, only UGX 264.45 billion has been provided in the MTEF FY 2022-23 leaving a funding gap of UGX 70.32 billion. The continued stock-outs for essential medicines and health supplies contributes to the high out-of-pocket household expenditure share to current health spending currently at 43 percent.

Essential Medicines and Health supplies funding gap (UGX, BN)

Category	Required	Available	Gap
Specialist Units and non-communicable Diseases (NCDs)	51.34	44.1	7.24
Reproductive items and supplies	37	22	15
Lab commodities	65.11	61	4.11
Health Centre II	29.72	11.16	18.56
Health Centre III	46.24	35.68	10.56
Health Centre IV	24.84	21.43	3.14

Category	Required	Available	Gap
General Hospitals	25.05	22.53	2.52
Regional Referral Hospitals	24.94	22.18	2.76
National Referral Hospitals	30.8	24.37	6.43
Total	335.04	264.45	70.32

The Committee recommends that the funding gap of UGX 70.32 should be provided to National Medical Stores in FY 2022-23 to minimize stock-outs for Essential Medicines and Health Supplies under the various categories listed.

7.20.3 VOTE 151: UGANDA BLOOD TRANSFUSION SERVICES (UBTS)

Inadequate Blood collection & Mobilsation Facilities

The Committee was informed that currently UBTS collects about 300,000 Units of blood yet the actual estimated needs stands at about 420,000 Units. This leaves a blood deficit of 120,000 Units annually. In order to meet this gap, UBTS needs to expand its capacity to mobilise, collect and screen enough blood requirements. This requires additional budgetary provision of UGX 12.31 billion of which blood collection and delivery Vehicles (UGX 1.87bn), specialized laboratory, blood collecting and IT equipment (UGX 2.5bn), Staff recruitment (UGX 2bn), blood collection operations (UGX 3.26bn) as well as setting-up blood repository centres at district General hospitals (UGX 1.36bn). However, there is no allocation in FY 2022-23 to facilitate these interventions.

The Committee was further informed that out of the total fleet of 63 vehicles at UBTS, 55 have exceeded the recommended life of five (5) years with a mileage above 250,000 km. Consequently, there are high maintenance costs which stretch the available meagre budget.

The Committee was also informed that expansion of blood transfusion infrastructure was a key area of focus and that Plans are under-way for construction of Hoima and Moroto Blood Banks.

i. **The Committee recommends that the required funding should be provided in a phased manner starting with UGX 1.87 billion required to procure the attendant blood collection and delivery vehicles in FY 2022-23 and the balance of UGX 10.44bn should be provided in a sub-subsequent Financial Years.**

ii. **UBTS should fast track the construction of the Hoima and Moroto blood banks to increate blood collection in Bunyoro and Karamoja regions respectively.**

7.20.4 VOTE 401: MULAGO HOSPITAL COMPLEX

Inadequate Funds to Transform Mulago Hospital Complex into Super-specialised Status

The Committee observed that whereas Government invested a lot of resources to renovate and equipment Mulago Hospital Complex with the aim of transforming it into a super-specialized facility, this expectation has not been met. Mulago Hospital complex require UGX 92.3 billion to procure adequate supply of medicines for specialized medical care, UGX 21 billion for re-modelling and refurbishment of upper Mulago to reduce congestion especially in the surgical and pediatric area, UGX 9.2 billion for the much need tools and equipment for use, UGX 2 billion for servicing and maintenance of equipment, UGX 16bn for additional construction of staff houses among others.

i. **The Committee recommends that Government provides the attendant support to Mulago Hospital Complex to enable it transform into its rightful purpose as a Super-specialized facility.**

ii. **The Ministry of Health together with that of Public Service and Finance, Planning and Economic Development should set up a technical committee to review the required staffing structure, operational needs both human and financial as well as infrastructural requirement with of having a well costed implementation action plan to have Mulago Hospital Complex take-off as a super-specialized facility in a phased manner beginning in FY 2022-23.**

7.20.5 VOTE 402: BUTABIKA NATIONAL REFERRAL HOSPITAL

Inadequate Budget for Special Meals and Drinks

The Committee was informed that UGX 4.7bn is required for special meals and drinks but only UGX 1.93bn is available in the MTEF leaving a funding gap of UGX 2.76bn. The current budget is premised on a unit price of UGX 6,187 per person (breakfast, lunch and supper) whereas the current market unit price is UGX 15,000.

The Committee recommends that Ministry of Health, Ministry of Finance, Planning and Economic Development should harmonise with the Management of Butabika National Mental Hospital the realistic unit cost for Patient meals with a view of providing for adequate resources with effect from FY 2022-23.

Inadequate Budget for Uniforms and Beddings

The Committee was informed that a total of UGX 3.25bn is required to procure uniforms and bedding requirements to cater for 6,762 patients. The available budget in the MTEF of UGX 0.52bn can only cater for 1,100 patients.

The Committee recommends that Ministry of Health, Ministry of Finance, Planning and Economic Development should harmonise with the Management of Butabika National Mental Hospital the realistic unit cost for the procurement of bedding requirements and Uniforms for Patients with a view of providing for adequate resources (Ushs 1.5bn) with effect from FY 2022-23.

Inadequate funds for Maintenance of Diagnostic Equipment

Whereas diagnostic equipment worth UGX 7 billion has been procured to facilitate timely diagnosis for patients, only UGX 0.9bn has been provided for their maintenance out of the UGX 1.52bn that is needed leaving a funding gap of UGX 1.33bn. The Committee noted that this challenge cuts across all Health facilities and requires urgent attention to minimize on the losses incurred when very expensive medical equipment is left to waste.

i. The Committee recommends the Ministry of Health should priorities maintenance and repair of medical equipment to ensure their functionality across all health Facilities.

ii. The total budgetary requirement under Butabika National Mental Hospital should be enhanced by an additional UGX 0.5 billion in FY 2022-23.

7.20.6 VOTE 114: UGANDA CANCER INSTITUTE

Inadequate Funding for Key Equipment

The Committee was informed that UCI has gradually developed its capacity and currently has some of the best diagnostic equipment in the region. In order to further strengthen its capacity to treat and manage Cancer in Uganda and in the region, a total of UGX 22.5bn is required to procure Cyclotron, UGX 33.75bn for acquisition of 2 linear accelerator (LINAC) machines and UGX 3.75bn to procure 2 High Dose Rate (HDR) machines. When acquired, these machines will greatly increase the diagnostic capabilities at UCI and save foreign exchange that is currently incurred due to referrals abroad.

The Committee recommends that in order to increase the capacity of UCI Government should prioritize acquisition of the diagnostic equipment in a phased manner. This will require Ushs 22.5bn to procure Cyclotron machine

7.20.7 VOTE 115: UGANDA HEART INSTITUTE

Inadequate Space for expansion of Services

The Committee noted that whereas Uganda Heart Institute has built capacity to manage and treat more complicated heart disease complications, this capacity is constrained by lack of state-of-the-Art equipment. The current Catheterization laboratory needs improvement at UGX 2bn but this funding has not been included in the MTEF for FY 2022-23. In addition, UHI requires additional space to increase on its patient in take by constructing its New Home. In the mean-time, additional space is being created through renovating Ward 1C at Mulago Hospital Complex. In order to complete these works, a total of UGX 1.2bn is required.

The Committee recommends that UGX 1.2bn and UGX 2bn required for completion of works at Ward 1C and replacement of the Catheterization laboratory should be provided in FY 2022-23 to increase UHI's operation scope to save lives and raise addition revenue for Government.

7.20.8 VOTE 134: UGANDA HEALTH SERVICE COMMISSION

Lack of Transport Means for Operations

The Committee was informed that Uganda health Service Commission's fleet of vehicles is aging and require replacement in line with the existing Government Policy where vehicles have to be boarded-off after five (5) years from the date of acquisition. If not replaced, the aging vehicles are not only a liability through high cost of maintenance but also affect timely delivery of services to those that need them.

Uganda Health Services Commission requires UGX 1.32bn to procure new vehicles but there is no provision in the MTEF for FY 2022-23.

The Committee recommends that UGX 1.32bn should be provided in a phased manner starting with UGX 0.620bn in FY 2022-23 to enable Uganda Health Service Commission procure three (2) vehicles to ease their operation.

7.20.9 VOTE 403-422: NATIONAL & REGIONAL REFERRAL HOSPITALS

Understaffing

The Committee noted that most of the Regional Referral hospitals were lacking key human resources for health especially the specialist cadres such as senior Consultants, Consultants and Medical Officers (special grade) with many of the still operation as General hospitals. The most affected Hospitals are Kawempe, Entebbe, Mulago Specialized Women & Neonatal Hospital and Gulu Referral Hospitals (Table 15).

Table 15: Staffing levels in selected heath facilities

S/No	Facility	Filled Vacancies
1.	Kawempe National Referral Hospital	33.8%
2.	Mulago Specialised Women & Neonatal Hospital	38.7%
3.	Naguru National Referral Hospital	85%
4.	Lira National Referral Hospital	78.5%
5.	Fort Portal Regional Referral Hospital	77.3%
6.	Soroti Regional Referral Hospital	73%
7.	Mbale Regional Referral Hospital	83.6%
8.	Kayunga Regional Referral Hospital	60%
9.	Entebbe Regional Referral Hospital	36%
10.	Gulu Regional Referral Hospital	43%

Source: NBFP presentations to the Committee

The Committee was informed that whereas the existing vacancies have been advertised, they have not been able to attract the required staff due to low pay and other conditions of service such as a vehicle for Consultants and lack of decent accommodation facilities in many of the facilities. The situation has been compounded by an outdated staffing structure which was last revised in 1999.

Consequently, a number of health facilities have been failing to absorb the wage budget and funds are instead returned to the Consolidated Fund.

In the FY2020/21, UGX 11 billion was returned by the Ministry of Health while Mulago Hospital returned over UGX 1 billion and on average RRHs returned over UGX 0.5bn each.

The Committee was further informed that whereas UGX 27bn is required to procure vehicles for Senior Consultants in FY 2022-23, there is no allocation to facilitate this procurement.

The Committee recommends that:

i. **The Ministry of Public Service should expedite the review of the Health Sector Staffing norms and conditions of service for specialized cadres to be able to attract and retain them in service. In addition, the staffing norms should consciously take into account the H.E The President's directive to recruit Doctors up to HC III level before the commencement of the FY 2022-23.**

ii. **A total of UGX 21.76bn should be provided in the FY 2022-23 budget to procure 68 Vehicles for Senior Consultants in line with their existing terms of service.**

iii. **Government should continue with its efforts of building the stock of houses for health workers accommodation at all health facility levels including accommodation for specialized cadres.**

iv. **Government should fill the vacant positions in a phased manner to ensure that all RRHs with filled staffing levels of less than 50% are raised to a minimum of 60 percent.**

Operationalization and Maintenance of Equipment

The Committee observed that most of the equipment in health facilities is not operational. Non-functionality of the equipment is due to: failure to repair, service and maintain them, lack of the required human resource to operate them, intermittent and low voltage power supply as well as lack of the requisite medical supplies for the equipment.

Due to unstable power supply, most health facilities have been forced to use a heavy-duty generators which consume a lot of fuels. This stretches their operational budget and in some cases results into accumulated utility arrears. The Committee was informed that the all regional maintenance workshops receive a budget of UGX 2.7 billion annually which is inadequate.

The Committee recommends that:

i. The Ministry should ensure that all regional equipment workshops are provided with the adequate resource to operate including staffing and service equipment.

ii. The annual budget earmarked for regional equipment workshops should be increased to UGX 5.4bn in FY 2022-23 to support their functionality.

iii. The Ministry of Health should liaise with that of Energy and workout a mechanism of supplying cheaper and clean (stable) power to all Regional Referral Hospitals to avoid further damage to Equipment arising from power surges.

CT Scans for all RRHs and attendant Infrastructure Requirements

The Committee noted that whereas Parliament earmarked UGX 20.5bn to facilitate the procurement of CT Scans in the current FY 2021-22 for all regional referral Hospitals and the procurement process is on-going, many of the regional referral hospitals do not have the required infrastructure to house them. In addition, in some of the hospitals there is no staff to operate them.
The Committee was informed that 10 standard New Radiology buildings will be required to house the new equipment at a total of UGX 36.3bn.

The Committee recommends that UGX 4bn should be earmarked in FY 2022-23 for remodeling of the existing 10 facilitates in the RRHs.

Infrastructure for ICUs in RRHs

The Committee noted that whereas ICU equipment was procured, in many of the RRHs the equipment are not fully operational due to various reasons ranging from lack of adequate space and infrastructure as well as staff to man them. The Committee was informed that a total of 10 standard new ICU buildings are required in various RRHs to have all ICU equipment installed and operational. The total budget requirement is UGX 37.5bn.

The Committee recommends that UGX 10bn should be earmarked in FY 2022-23 to facilitate the construction of ICU infrastructure in 5 RRHs.

Other Diagnostic Equipment needs at RRHs, GHs & HC IVs

The Committee was informed that in order to fully functionalize critical care equipment in RRHs, GHs and HC IV, various equipment are needed

Diagnostic Equipment Needs

MRI (1.5T)	Standard Digital X-ray Machine	Mobile Digital X-ray Machine	Fluoroscopy X-ray Machine	Mammography	Operating Theatre Apparatus	Dental Unit	Ultra Sounds	Medical Equipment Maintenance
3	11	37	16	16	188	110	100	16

Source: Ministry of Health

The total budgetary requirement to procure all these equipment is UGX 139.33bn. Detailed information as to specific health facility requirements.

The Committee recommends that Government earmarks Ushs 84bn for the attendant budgetary resources to procure these equipment in order to fully functionalize the RRHs, GHs and HC IVs for enhanced health service delivery.

Budgetary Provision for the New Regional Referral Hospitals

The Committee noted that since Entebbe Hospital was upgrade to a regional referral hospital, its budget has remained at the same level of a General hospital. In the same way, Yumbe and Kayunga general hospitals have been recently upgraded and given have been earmarked dismal budgetary allocations for FY 2022-23 yet they are required to provide specialized services with increased cost implications similar to other regional referral hospitals.

Under Kayunga RRH, whereas the total wage bill requirements for staff in-post is 5.772bn only UGX 1.9bn has been provided and operationalizing the full staffing structure will require UGX 19.26bn.

Budget Allocation for newly upgraded Hospitals FY 2022-23

Entity	Wage	Non-wage	GoU Dev't	Total
Entebbe RRH	2.52	1.62	1.5	5.64
Kayunga RRH	1.9	7.1	0	9.00
Yumbe RRH	2.2	0.61	0	2.81

Source: Ministry of Health

The Committee recommends that additional budgetary provisions should be provided to support the full operationalization of the Entebbe, Kayunga and Yumbe regional referral hospitals in line with their mandates.

Lack of Equipment for Covid-19 Vaccination Data Entry

The Committee was informed that the ongoing vaccination efforts are being hampered by lack of adequate equipment like computers and routers for timely data entry for clients, poor network connectivity and low supply of client cards. To date 10,315,951 (47 percent) of the 22 million target population have received the first dose of COVID vaccines. Of these, 4,006,021(18 percent) are fully vaccinated. However, the Ministry of Health does not have records for all those vaccinated persons. It should be noted that failure to provide the attendant supplies greatly affect the progress of the vaccination exercise.

The Committee recommends that:

The Ministry ensures the missing supplies are provided in a timely manner in order to avoid a possible slow-down in the vaccination exercise. The National Covid-19 task force should ensure that a realistic budget is prepared to facilitate the acquisition of the missing supplies without any delay.

7.21 COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS

7.21.1 VOTE 007: MINISTRY OF JUSTICE AND CONSTITUTIONALL AFFAIRS

Payment of the outstanding court Awards and court arrears:

Court awards accrue from court cases lost by the government or by consent of the Attorney General and government's failure to pay court awards on time, result accumulated interest which sometimes exceed the principle award. Delays in settlement of awards with high-interest rates create a considerable burden to the taxpayer as the interest continues to accumulate. In addition, none payment of court awards, stifle economic growth by withholding capital investment and expenditure.

The Committee noted that the total of **Ushs.225.7 billion**, has accumulated over the years and only **Ushs.9.35 billion**has been allocated during the financial year 2022/23 to clear outstanding commitments hence leaving a balance of shillings **216.35 billion** in liabilities.

The Committee recommends that government prioritises payments of court Awards and court arrears to reduce the principal amounts that attract interest by providing the remaining amount of Ushs. 216.35 billion.

Payment of Livestock compensations

Government agreed to compensate War Debt Claimants in Teso, Acholi and Lango sub-regions for the loss of livestock and other properties during the Lord's Resistance Army (LRA) insurgency in northern Uganda. Government released **Ushs 50 billion** during FY 2021/22 for compensation of war victim's claimants and by the end of December 2021, the Ministry of Justice and Constitutional Affairs had not yet commenced the compensation exercise due to pending verification and validation exercise. However, the Ministry still requires an additional of **Ushs 100.0 billion** to cover all War Debt Claimants in the sub- regions during the FY 2022/23.

The Committee recommends that additional amount of Ushs. 150bn be provided to cater for all War Debt Claimants in the sub- regions of Teso, Acholi, Lango and Karamoja.

Ministry of Justice should also undertake verification exercises in other sub-regions affected by war.

Implementing the new Ministry Structure

The Committee noted that the Ministry was restructured by increasing staffing from 300 to 442 in FY 2017/18. This was done in order to match the growing demand of MoJCA services and most importantly to reduce adjournment of cases which was common due to understaffing. The Ministry requires a total of **Ushs. 10.767 bn** and only **Ushs. 8.865bn** was provided hence leaving a funding gap of **Ushs. 1.90 billion**.

The Committee recommends that the Ministry should be provided with Ushs 1.90 billion to fill in the vacant positions to bridge the staffing gaps and also reduce the pressure created by increased Judicial areas as a result of operationalization of the Administration of Judiciary Act, 2020.

7.21.2 VOTE 101: JUDICIARY

Construction of Court Buildings.

The Committee noted that with the operationalization of the Administration of Judiciary Act, 2020, the Judiciary plans to construct 2 regional Court of Appeal Buildings in Mbarara and Gulu, 2 high court buildings in Mubende and Tororo, 3 Chief Magistrates Courts in Kira, Oyam and Nakapiripirit, 4 Magistrates Grade 1 Court buildings in Kaabong, Aduku, Kalaki and Kyazanga, and 5 institutional houses in hard to reach areas of Buhweju, Kaabong, Kanungu, Nakapiripirit and Bukwo. The construction of thr aforementioned court buildings, require a total of Ushs. 26. 1bn.

Only **Ushs. 2.40 bn** was provided to construct regional Court of Appeals buildings in Mbarara and Gulu leaving a funding gap of **Ushs. 23.71 bn** to construct court buildings in the aforementioned Magisterial Areas.

The Committee recommends that the Judiciary be provided an additional of Ushs 23.71 billion to undertake the construction of courts building in the aforementioned magisterial areas.

Renovation of Court Buildings

The committee was informed that several Courts housed in Judiciary owned premises operate in dilapidated structures which do not project a good image to Judiciary. In addition, most Court premises are not customized with specific facilities for the disabled persons, elderly and lactating mothers which hinders access to Judicial Services especially by such groups. The Judiciary requires a total of **Ushs 7.04 billion** to renovate various Court Buildings across the country and only **Ushs.6.04billion** was provided hence leaving a funding gap of **Ushs. 1.00billion**.

The Committee recommends that an additional amount of Ushs 1.00 billion be provided to the Judiciary to renovate various courts across the country.

Retirement benefits for Judicial Officers and Non-Judicial Officers:

The Committee was informed that as a result of the operationalisation of the Administration of the Judiciary Act, 2020, the retirement benefits specified in Schedule 4 and 6 of the Act for Judicial Officers and Non-Judicial Officers were enhanced and thus require additional funding. The Judiciary therefore requires a total of **Ushs. 25.93billion** to pay benefits for Judicial Officers and Non-Judicial Officers but only **Ushs. 20.58 billion**was allocated hence leaving a funding gap of **Ushs 5.35 billion**.

The Committee recommends that the Judiciary be provided with an additional amount of Ushs 5.35 Billion to pay retirement benefits to Judicial and Non-Judicial Officers.

Medical expenses

The Committee was informed that Judiciary pays or meets medical bills for its Judicial Officers as part of the terms and conditions of work spelt out in the Administration of the Judiciary Act, 2020. Judiciary therefore require a total of **Ushs. 7.42 billion**to be able to meet the medical bills for its staff but only **Ushs. 2.17 billion**was allocated hence leaving a funding gap of **Ushs. 5.25 billion**.

The Committee recommends that the Judiciary be provided with an additional amount of Ushs 5.25 Billion to be able to fulfill its obligation of meeting medical bills for its staff.

7.21.3 VOTE 103: THE INSPECTORATE OF GOVERNMENT (IG)

Construction of IG Head Office Building:

The Committee was informed that the construction of the Head Quarters commenced in June 2019 and was estimated to be complete within 3 years with annual cash flow projections of Ushs 33.095 billion. In FY 2020/21, the IG was allocated **Ushs.12.5 billion** of which only **Ushs 7.26 Billion** was released. During the FY 2022/23, the same provision of **Ushs 12.5 billion** has been allocated out of the required **Ushs 33.095 billion**. This leaves a funding gap of **Ushs 20.595 billion** in FY 2022/23.

The Committee recommends that an additional amount of Ushs 20.595 billion be provided to the development budget of the IG to implement planned construction schedule of the project.

Understaffing

The Committee noted thatin the last four years, the number of local governments (districts, municipalities, town councils and sub counties) has significantly grown. The growth in the number of administrative units contributes to additional work for the IG. Also the number of leaders declaring to the IG increased from 25,000 to 400,000 due to the Leadership Code Act, 2017 (Amended). The IG therefore requires an additional 50 staff to support its operations.

The Committee recommends that IG be provided with an extra Ushs 3.1 billion for salaries, gratuity and related NSSF contributions in order to recruit additional 50 staff to handle the increased work load.

Budgetary shortfall

The Committee noted that the government's provision to the IG is only to meet obligations of Wage, rent and development hence leaving the IG with limited funding for implementing the IG mandate. In order to address this shortfall, the IG was provided with a supplementary budget of Ushs 3.24 Billion in

December 2021 for Anti-Corruption Campaign 2021, Verification of Leaders' declarations, investigations and prosecutions and funding for statutory obligations.

The supplementary provided was a temporary measure addressing the financial distress of the institution. A more concrete and permanent solution should be sought to avoid a scenario where every year, the IG has to request for supplementary.

The Committee recommends that the IG's MTEF ceiling be increased by Ushs 3.24 billion to cater for budgetary shortfalls and enable the IG meet its critical operational obligations.

7.21.4 VOTE 104: THE PARLIAMENTARY COMMISSION (PC)

Non-wage recurrent shortfall

Article 79 of the Constitution gives powers to Parliament to carry out oversight, legislation and representation functions. The Parliamentary Commission is projecting a non-wage recurrent shortfall of **Ushs. 226.64 Bn** meant for legislative, oversight and representation function. This if not addressed will impede timely and responsive oversight, legislation and the representation function.

The Committee therefore recommends an additional amount of Ushs. 226.64 Bn to cater for the projected non-wage current shortfall.

Wage shortfall.

The Committee noted that the Parliamentary Commission experienced wage shortfall of **Ushs. 40.84 Bn** for Members of Parliament and Staff.

The Committee recommends an additional amount of Ushs. 40.84 Bn be provided to Parliamentary Commission to cater for wage shortfall for MPs and Staff.

7.21.5 VOTE 102: ELECTORAL COMMISSION (EC)

Conduct of General Election Activities

Sections 170 (1) of the Local Governments Act provides that the Chairperson, Local Governments councils and administrative councils shall be elected every five years. The current administrative units (LCI &II) and women councils were elected in August 2018 and their term of office will expire in August 2023. The Commission is therefore requesting for the budget to conduct elections of the next Councils in this budget framework paper to enable conduct elections by the end of June 2023 before expiry of the current Councils as per statutory deadlines so as to avoid vaccum like in the past and to prepare for smooth handover. Failure to hold LC elections and Women Councils, is a breach of the Constitution (Art 61, 181).

The joint budget for conducting of administrative units elections and elections for Women Councils and Committees is **UGX 90.677bn** but only **UGX36.151 Bn** has been provided leaving a shortfall of **UGX 54.526bn**.

The Committee recommends the provision of additional resources amounting to UGX 54.526bn be provided to enable the Commission conduct elections as required by law.

Settling the outstanding Wage Bill:
The Committee noted that Parliament passed and adopted a resolution to implement the enhancement of salaries for staff of Commission within 3 Financial Years effective 2017/18. The Ministry of Finance, Planning and Economic Development only released the first two (2) installments of **Ushs 25.907Bn**. The third and final installment amounting to **UGX 11.166Bn** which was due in FY 2019/20 has not been honored to date.

The Committee recommends that the outstanding wage bill of Ushs 11.166 Billion be provided to the Electoral Commission so as to fulfill Parliament's resolution made in 2017.

Operationalisation of offices in ten new Cities and Terego District
The Committee notes that whereas government created ten (10) new cities of Jinja, Mbarara, Gulu, Arua, Masaka, Fort Portal, Mbale, Soroti, Hoima and Lira and one (1) district of Terego, all effective 1st July 2020, no provision has been made for the setting up offices in these new administrative districts. The cost of establishing these offices is **Ushs 7.256 Billion**

The Committee recommends the provision of Ushs. 7.256bn to operationalise offices in ten new Cities and Terego District during FY 2022/23.

Outstanding Domestic Arrears
The Committee was informed that since FY 2014/15, the Commission has had outstanding arrears of **Ushs 2.74 billion** as Penal tax which was supposed to be written off by Uganda Revenue Authority (URA) as per court settlement. However, no action has been taken by the Minister in charge of finance despite a request having been made formerly to the same.

The Committee recommends that either the Ministry of Finance takes up this matter to have the penalty waived or provides the requisite funds of Ushs. 2.74billion to settle the obligation.

Funding of National Consultative Forum (NCF)

The Committee was informed that the National Consultative Forum (NCF) is an umbrella institution with representation from all registered Political Parties and Organisations in the country. It seeks to create harmony and peaceful co-existence through mediating, dialoging, monitoring, capacity building and conflict resolution amongst political parties and organizations as a means of promoting and sustaining democracy in the country. The NCF has been receiving **UGX 0.450 billion** every year since FY 2016/17 and no provision was made in the MTEF.

The Committee recommends that Ushs 0. 450 billion be provided to to enable National Consultative Forum undertake activities related to enforcement of code of conduct for political parties and organisation.

Transfers to Political Parties

In line with Section 14A of the Political Parties and Organisations Act, 2005, government has been providing **Ushs. 10bn** every year towards the operations of Political Parties and Organisations with representation in Parliament.
At the end of December 2021, Parliament approved a supplementary budget of **Ushs. 35bn** bringing the total to **Ushs. 45 bn**. However, no provision was made in the MTEF for this purpose in the FY 2022/23.

The Committee recommends that Ushs. 45bn be provided to enable Political parties operate as required by law and to avoid scenarios of EC requesting for the supplementary budget to cater for that particular item.

7.21.6 VOTE 105: UGANDA LAW REFORM COMMISSION (ULRC)

Printing of Revised Principal Laws of Uganda:

The Committee noted that the Commission to print the 7th Revised Principal Laws of Uganda to enhance public awareness of the existing laws and public participation in the law reform and revision processes. The Commission requires requires a total of **Ushs. 6.5bn** to print the 7th Revised Principal Laws of Uganda but government has provided only **Ushs 1.5 billion** hence leaving a funding gap of **Ushs 5.0 billion** to execute this exercise.

The Committee recommends that an additional amount of Ushs 5.0 billion be provided to enable ULRC print principal laws of Uganda.

Court Award:

The Committee note that the Commission owes **Ushs 0.518 billion** to former

Chairperson of the Commission, Prof. Agasha Mugasha, including interest that resulted from a Court case against the Commission. However, no provision was made in the MTEF for this purpose in the FY 2022/23

The Committee recommends that Ushs 0.518 billion be provided to cater for a Court Award to the former Commission Chairperson during the FY 2022/23.

Translated and Published Laws

The Committee noted that the Commission plans to simplify and translate laws to enhance access to the public. The Commission plans to translate laws in different languages and such laws include Local Council Courts Act, 2006, Domestic Violence Act, Constitution and Succession Act. The Commission requires a total funding of **Ushs. 0.490billion** but only **Ushs.0.190billion** was provided leaving a funding shortfall of **Ushs 0.300 billion.**

The Committee recommends that Ushs 0.300 billion be provided to ULRC for translating, revising and publishing of laws.

7.21.7 VOTE 106: UGANDA HUMAN RIGHTS COMMISSION (UHRC)

Salary Enhancement of Staff

The Committee recognizes the need to enhance staff salaries to prevent high staff turnover. This will require an additional **Ushs 11.75 billion** to cater for staff salary enhancement during the FY 2021/22.

The Committee recommends that government provides Ushs 11.75 billion as additional wage bill for UHRC for FY 2022/23.

Vehicles and Transport Machinery

The Tribunal is one of the core activities of the Commission since it conducts its business in all regions of the country. This is in addition to activities undertaken by regional offices in conducting awareness, civic education, inspection of detention facilities and monitoring all government activities to assess compliance of Human rights. To effectively deliver on the above activities, the Commission requires **Ushs 2.29 billion** to purchase vehicles.

The Committee recommends that a provision of Ushs 2.29 billion in FY 2022/23 to procure vehicles including double cabins, station wagons and Civic education vans.

Civic Education and Human Rights Awareness

The Committee notes that there is need to enhance efforts of sensitization, protection and promotion of human rights up to the grass root level. Given the rising population, UHRC will require an additional **Ushs 16.04 billion** to undertake this exercise, including training of security agencies.

The Committee recommends an additional amount Ushs 16.04 billion to the non-wage recurrent during the FY 2022/23 to undertake countrywide sensitization campaigns on protection and promotion of human rights.

7.21.8 VOTE 109: LAW DEVELOPMENT CENTRE (LDC)

Construction of Multi storied building

The Committee noted that a provision of **Ushs 2.50 billion** was made to Law Development Center (LDC) to kick start the construction of the multi-storied building during the FY 2021/22. However, the total cost for the project is **Ushs 64 billion**. With the completion of the storied building, the LDC expects an increased enrolment, improved quality of legal training and increased Non Tax Revenue (NTR) collection from the **Ushs 14.0Bn** to approximately **Ushs 30 Bn** per FY.

The Committee recommends that Ushs 61.5 billion be provided to the LDC across the medium term to construct the multi storied building since it is expected improve NTR generation.

Legal Aid Services

The Committee noted that the Law Development Centre is the only government institution mandated to provide legal aid to accused and indigent persons as provided under the Law Development Centre Act Section 3 (1)(l). LDC require **Ushs 1.0 billion** to provide sufficient Legal Aid services to the vulnerable population of Uganda.

The Committee recommends that Ushs 1.0 billion be provided to LDC to provide Legal Aid Services to vulnerable population.

Publishing E-Reports

The Committee was informed that E- Uganda Law reports have all been scanned and saved in electronic format and are now awaiting to be indexed electronically. LDC require additional Ushs 0.5 billion for publishing timely E-Reports.

The Committee recommends Ushs 0.5 billion be provided to the LDC for publishing E-reports.

7.21.9 VOTE 119: UGANDA REGISTRATION SERVICES BUREAU (URSB)

Development and upgrade of ICT system for all online system The committee noted that a bulk of URSB is conducted online and hence a need for further development and upgrade of the ICT system with the aim of having all online systems.This item requires **Ushs 3.0 Billion.**

The Committee recommends Ushs 3.0 billion be provided to URSB to develop and upgrade its ICT system for all online systems.

Arrears

The Committee was informed that URSB incurred arrears of **Ushs 0.77 billion** due to maintenance of its ICT online platforms.

The Committee recommends an additional amount of Ushs 0.77 billion to URSB to settle Arrears.

Decentralization of URSB services

The Committee noted that the Bureau plans to expand its services across the country through setting up 4 regional offices. This will require **Ushs 2 billion** over the medium term

The Committee recommends that Ushs 2 billion in FY 2022/23 be provided to enable the Bureau roll out the planned 4 One Stop Shops/centers across the country in order to improve on business environment.

Mass business registration

The Committee noted that URSB has huge potential of growing its Non Tax Reveunue(NTR) collection from the current **Ushs 37.7 Billion** as at January 2022 to over **Ushs 100.0 billion**. In doing so, URSB is planning a mass business registration initiative which includes human resource recruitment, capacity building, field monitoring and compliance engagements and capital development expenditure to replenish the old fleet to facilitate country wide registration and NTR mobilization.

The Committee recommends an additional amount of Ushs 15.25 billion be provided to URSB during FY 2022/23 to activate its potential of NTR mobilization.

Short term Consultancy (ISO)

The Bureau aims at acquiring ISO certification through a short term consultancy and this will in turn improve the public perception on the quality of services rendered by URSB. This will require **Ushs 0.32 billion** acquiring ISO certification

The Committee recommends Ushs 0.32 billion to URSB to facilitate ISO certification

7.21.10 VOTE 133: DIRECTORATE OF PUBLIC PROSECUTIONS (DPP)

Recruitment

The Office of Director Public Prosecutions (ODPP) has no presence 101 districts as of 30th August 2021. The Judiciary continues to recruit and operationalise in more gazetted courts which the ODPP cannot service. This overwhelms the ODPP officers who end up not having sufficient time to prepare witnesses and for overall court appearance.

There is a staffing gap of 537 Prosecutors against the number of Judicial Officers. As a result, one prosecutor is required to appear before more than two Judicial officers and sometimes in more than one district. Ideally, on average, one ODPP field station should have at least three Prosecutors. Basing on the continuous expansion within the Judiciary, the Uganda Police Force, creation of administrative units, and rise and sophistication in crime.

The ODPP seeks to fill the established structure to ably execute its mandate and this requires funding amounting to **UGX 32.713bn** to go towards wage and **UGX 28.041 bn** for non-wage.

The Committee recommends that Ushs 60.75 billion be provided to the ODPP to recruit more human resource starting with Ushs 19.9 billion in FY 2022/23 and the balance in the medium term.

Review of outstanding Legislations

The Committee noted that the following legislations remain outstanding for review or enactment namely:

- DPP Act- to operationalize Article 120 of the Constitution of making the DPP autonomous
- Trial On Indictment Act, Cap 23- to give discretion to Court to require the collaboration of the evidence of a child and provide for plea bargaining
- Magistrates Court Act, Cap. 16- To empower magistrates to issue a commission for the taking of evidence of a child of tender years instead of brining the child before court.
- Evidence Act, Cap 6: to enhance prosecution of sexual offences
- Amnesty Act: to amend the current law to grant conditional amnesty to Ugandans involved in acts associated with war
- Witness protection Act: to enhance public participation in the administration of criminal justice

The Committee recommends that the Ministry responsible should expedite the process of presenting the above legislations to Parliament for enactment during the FY 2022/23

Transport Equipment
The Committee noted that ODPP operations are critically constrained in terms of transport equipment, with a small aging fleet of only 92 vehicles to coordinate countrywide prosecution activities. Of these, 51 (55%) are between 7 and 16 years old while only 41 (45%) are between 2 and 6 years old. The aging fleet attracts high maintenance costs and is ineffective in serving the ODPP whose majority of service delivery requirements are field based and in hard-to-reach and hard-to-stay areas. The Kampala based services also involve frequent travels to and from courts and support to field stations. Hence the ODPP needs Ushs **28.800bn** to procure 10 Station wagons, 100 Double cabin pick-ups and 30 Motorcycles.

The Committee recommends that Ushs 28.80 billion be provided to the ODPP during the FY 2022/23 to procure transport equipment.

Computerization
It is evident that the functioning of prosecution services, like that of courts, should adapt to the circumstances imposed by the emergency COVID-19 situation. The development of new technologies and progressive improvement of video conferencing systems in the Judiciary have created new possibilities for ensuring the hearing of witnesses, experts and defendants without the need to compel them to travel to different courts, scenes of crime, community outreaches, prison outreaches, and monitoring and supervision. The ODPP has a Case Management System (Prosecution's Case Management Information System -PROCAMIS) in place and this needs to be strengthened to make it fully functional. This will go hand in hand with the overall automation of the ODPP. The scope of automation will cover headquarters, regional Offices and field stations. The ODPP requests for additional funding of UGX **3.650bn** for computerisation

The Committee recommends an additional amount of Ushs 3.65 Billion be provided to the ODPP in FY 2022/23 to fully computerise its operations.

7.21.11 VOTE 148: JUDICIAL SERVICE COMMISSION (JSC)

Additional Wage
The Committee was informed that the current wage for the Commission is Ushs 2.70 billion for all staff in post. However, for the JSC to handle the expanded mandate, the new approved structure needs to be fully implemented. Thus for the approved staff structure to be implemented with all positions filled. The Commission requires an additional wage of **Ushs 0.51 billion.**

The Committee recommends an additional amount of Ushs 0.51 billion wage to JSC to handle the expanded mandate.

Recruitment of Judicial Officers and staff of Judiciary
The Committee was informed that JSC requires a total of 84 recruitment meetings based on the current submissions made by the Judiciary. The recruitment meeting on average costs **Ush, 15million** to cater allowances, meals, snacks drinks for Members and secretariat staff. In addition, the Commission had approved 15 recruitment meetings in the current budget. All the recruitment meetings require a total of **Ushs. 1.47 billion**as expenses of recruitment of Judicial Officers and Non-Judicial Staff.

The Committee recommends that Ushs 1.47 billion be provided in FY 2022/23 to recruit Judicial Officers and non- judicial staff of the judicial system.

Discipline of Judicial Officers and Staff of the Judiciary
The commission plans to hold 100 Disciplinary Committee (DC) sittings to clear the expected additional 200 complaints against Judicial Officers and staff of the Judiciary. On average 2 complaints are cleared in a single DC sitting which costs **Ushs. 7.6 million**leading to a total budget of **Ushs 0.76 billion**.

The Committee recommends that Ushs 0.76 billion be provided to the JSC in FY 2022/23 to meet its mandate of ensuring discipline among Judicial and non-judicial staff of the Judiciary.

7.22 COMMITTEE ON PHYSICAL INFRASTRUCTURE

7.22.1 VOTE 016: MINISTRY OF WORKS AND TRANSPORT

Road Maintenance Equipment for New Districts
In the Financial Year 2021/22 Parliament recommended that Ministry of Works and Transport be provided with UGX 56 billion for the procurement of road maintenance equipment for the 14 newly created districts for maintenance of their road network. However, the funds were not provided; and even in the budget for 2022/23 only UGX 5 billion has been provided despite having been agreed upon between MoWT and MoFPED during the presentation of the first supplementary Schedule for FY 2021/2022 that MTEF forMoWT would be increased to cater for this item.

The Committee is concerned that some critical roads in the new districts have become unmotorable due to lack of maintenance and increase of stock of roads over time due to different road programs undertaken at Local Government Level. The number of new districts has since increased from 14 to 16 and the required funding from UGX 56 Billion to UGX.64 billion. The UGX. 5 billion budget allocation for the item in FY 2022/23 leaves a funding gap of UGX. 59 billion.

The Committee recommends that UGX. 59billion be found within the budget for FY 2022/23 to finance this critical activity.

Maintenance of Road Equipment in Local Governments

The Committee was concerned that Road Equipment in the local governments are currently in different states of disrepair. The regional mechanical workshops are grossly underfunded and are currently unable to repair the machinery.

The Committee observes that:

i. Under the Ministry Budget for FY 2022/23 the refurbishment of 645 pieces of equipment out of the 1405 old Chinese road equipment for redistribution to Municipal Councils has been captured as an unfunded priority amounting to UGX. 18.6 billion. These Chinese equipment after refurbishment will also require maintenance during the FY amounting to UGX. 6.3 billion.

ii. Maintenance of the Japanese equipment has only been allocated UGX. 12 billion as opposed to the required UGX. 44 billion. This leaves a funding gap of UGX. 32 Billion for the maintenance of the Japanese equipment which now require both corrective and routing maintenance.

iii. keeping the equipment grounded predisposes them to vandalism yet Government acquired a loan to procure them, hence their maintenance is critical to ensure Value for Money.

iii. Upgrading of the four Regional Mechanical Workshops of Bugembe (Eastern Uganda), Mbarara (Western Uganda), Gulu (Northern Uganda) and Kampala (Central Uganda) remains an unfunded priority on the Ministry Budget for FY 2022/23, yet these are to repair all equipment from Japan and China effective FY 2022/23.

The Committee recommends that in the Budget for FY 2022/23:

i. **UGX.18.3 Billion be found for the refurbishment of Chinese equipment**

ii. **UGX 6.3 Billion be found for the maintenance of the Chineese equipment after refurbishment**

iii. **Additional UGX. 32 Billion be found for the maintenance of the Japaneese equipment.**

iv. **UGX. 60 billion be found for upgrading the 4 Regional Mechanical Workshops**

Construction of Bridges on the DUCAR Network

The Committee observed that connectivity within and across districts is compromised by the poor state/absence of bridges on the roads; which problem the DUCAR program is supposed to address. The MoWT budgeted for UGX.50.6 billion for construction of bridges on the DUCAR network but was allocated UGX. 20.6 billion leaving a funding gap of UGX. 30billion. The Committee notes that interruption in the road networks due to the absence of bridges defeats the purpose for which huge sums of money are sunk in the construction of roads.

The Committee recommends that UGX. 30 billion be found in the budget for FY 2022/23 for construction of bridges on the DUCAR network.

Traffic Control in Kampala Metropolitan area

The Committee is concerned about the intensity of traffic jam in Kampala Metropolitan area and noted that all possible means must be devised to improve the situation. The MoWT had proposed the tarmacking of priority roads in Wakiso District at a cost of UGX. 190 billion in FY 2022/23 to ease traffic in surrounding areas but funds were not allocated.
However, the Committee observes that:

i. the traffic jam in Kampala Metropolitan area especially during the peak hours negatively impacts on the productivity of the workforce.

ii. some countries have addressed the problem of traffic jam through the use of light trams.

The Committee recommends that Government explores the use of trams in Kampala Metropolitan Area through Public Private Partnerships.

Road Safety Interventions

In FY 2021/22 Parliament approved UGX. 2 billion for the road crash database and sensitization on the Traffic and Road Safety Act 1998 (Amendment)Act 2020 but only UGX. 0.5 billion has been released as at the 3rd quarter; hence limited implementation of the intended activities.

In FY 2022/23 the Ministry budget for this item has a funding gap of UGX 30.6 billion after an allocation of only UGX 2billion out of the required UGX. 32.6 billion. The UGX 30 billion is required for recruitment of staff, since the current ones are URA staff who were seconded for only 3 months; Development of a new Motor vehicle registration system, since the current one is based on tax revenue collections as opposed to road safety requirements; Design and supervision consultant and; prepare a statutory instrument gazetting the old manual logbooks in order to ensure we have a safe and reliable database for security and regulatory purposes and also to sensitize the public about the changes.

The Committee observed that Uganda is not making progress in meeting the global target of reducing road crashes by 50% by 2030; to the contrary the

Country has continued to witness high numbers of road crashes and resultant deaths. According to the Annual crime report 2020, total accidents reduced by 4.7percent in 2020(12,249) compared to 2019(12,858).

Activities aimed at ensuring Road safety in Uganda today must be treated as a matter of urgency and prioritized in this budget. The Committee recommends that the required sum of **UGX. 32.6 billion**be provided for in the budget for FY 2022/23 to cater for Road Safety Interventions.

Automation of vehicle inspection services

Section 70(131H) of the Traffic and Road safety Act, 1998 (Amendment) Act 2020, all motor vehicles shall be inspected periodically for environmental and road safety compliance and in the case of public service vehicles, every after one year and other motor vehicles, every after one year and other motor vehicles, every after two years.

The Committee was informed that for purposes of reducing vehicular pollution and un-roadworthy vehicles from our roads the MoWT requested for a budget of UGX 30 billion to automate vehicle inspection services. The Ministry however did not receive any allocation for this item that has thus remained an unfunded priority.

The Committee identifies this as an urgent budget requirement in view of the fact that un-roadworthy vehicles compromise road safety for road users and also contribute environmental pollution which is key in causing climate change.

The Committee recommends that the required UGX 30 billion be provided for in the budget for FY 2022/23.

Funding for Uganda Railways Corporation

The Committee observes that operational costs of URC amounting to UGX. 55.4 billion remainunfunded in the budget of FY2022/23. Operations of URC greatly contribute to a reduction in the pressure on the road infrastructure by carrying heavy cargo by rail and water; and also eases traffic especially in Kampala through the operations of the Kayola Train.

The funding gap is broken down as follows:

No	Item Description	Funding Required (UGX Bn)
	Steel repair & painting of MV Kaawa-1	2.5
	TOTAL	**2.5**

The Committee recommends that the UGX. 2.5 billion for operational costs of URC be provided for in the budget of FY2022/23.

Operationalisation of the Independent Accident and Investigation Unit and Civil Aviation Tribunal
The Civil Aviation (Amendment) Act provides for the establishment of an accident and investigation unit to independently investigate civil aircraft accidents in line with Uganda's obligations under the Annex 3 of the ICAO Convention.

The Ministry was allocated UGX. 1.374 billion for the operationalisation of the Unit against a budget requirement of UGX 4.374 billion leaving a funding gap of UGX. 3 billion.

The Committee observes that with the current budget allocation on this item Uganda will continue to default on her international obligation.

The Committee recommends that MoWT be allocated an additional UGX 3 billion for the operationalization of Unit in the FY 2022/23.

7.22.2 UGANDA CIVIL AVIATION AUTHORITY

Requirements for works at Entebbe International Airport
UCAA urgently requires the following to continue with the works at Entebbe International Airport but they remain unfunded priorities in the budget for FY 2022/23 as follows:

a. USD 36 million to complete the expansion of Entebbe International Airport (Phase I)
b. Modification of the passenger Terminal Building at a cost of UGX 30 billion
c. Establishment of a new Control Tower at a cost of UGX40 billion.

The Committee observes that Works at Entebbe International Airport must be prioritized by Government to ensure that it is completed in the shortest time possible. Completion of Phase 1 of the expansion of Entebbe International Airport was extended to 30th June 2023. It should therefore not be delayed further.

The modification of the passenger Terminal Building is currently an inconvenience to the passengers and this being the only International Airport in Uganda, works must not be delayed so as not to discourage visitors to the Country.

In regard to the need for a new control tower the Committee observes that it is a critical need. The current control tower is a risk to the aviation industry in the Country. There are obstructions as well as other limitations that could cause aviation disasters.

The Committee recommends that the UGX. 70 billion and USD 36 million be found in the budget for FY 2022/23 to cater for the critical needs of UCAA in the ongoing works at Entebbe International Airport.

Establishment of a Unified Security System at Entebbe International Airport

There is need to enhance and integrate security systems at Entebbe International Airport. UCAA had requested for UGX. 108billion but the item was left as an unfunded priority in the budget for FY 2022/23.

Given the current terrorist threats on the Country it is important that all security loopholes at the airport are closed.

In view of this the Committee recommends that the UGX. 108 billion required in the budget for FY 2022/23 to establish a unified security system at the Airport be provided.

7.22.3 NATIONAL BUILDING REVIEW BOARD

Need for additional funds for the National Building Review Board

The Committee observed that the Country has in the recent past recorded a number of collapsing buildings with fatalities. The building industry is currently plagued with numerous irregularities that manifest in the erection of structurally dangerous buildings. The NBRB is mandated to oversee the quality of buildings in Uganda yet it is underfunded and under facilitated. Given the gravity of the consequences of laxity in the building industry the Committee notes that NBRB must be fully facilitated to carry out its mandate.

There is a funding gap of UGX 10.7 Billion for NBRB Billion in the Budget for the FY 2022/23; arising from partial allocation of the required budget as below:

- Construction of National Building Research Centre was allocated UGX 3 billion instead of UGX. 8 billion.
- Roll out of Building Industry Management System (BIMIS) was allocated UGX. 667million instead of UGX. 2.667 billion
- Investigation tool were allocated 1 billion instead of the required 2 billion
- Retooling was allocated 0.67 billion instead of the required 1.87 billion
- Wage had a short fall of UGX. 1 billion and non wage a shortfall of UGX. 500 million

The Committee recommends that the additional UGX 10.7 Billion required by NBRB in the budget for FY 2022/23 be provided.

7.22.4 VOTE 113: UGANDA NATIONAL ROADS AUTHORITY

Additional Funding for road projects

UNRA requested for funding for the following roads in the budget for FY 2022/23 but it remained an unfunded priority: Kamuli - Kaliro-Paliisa (111km), Kazo - Buremba–Kyegegwa (81km), Rakai - Isingiro / Kafunjo-Kikagati (135km), Soroti - Amuria–Abim (83km), Gulu - Pader - Patongo–Abim (176km), Kilak - Rhino Camp (99km), Panyimur - Pakwach - Rhino Camp - Laropi (220km), Butalangu - Ngoma–Masindi (120km), Nakasongola–Zengebe (25km), Goli - Paidha-Zombo-Warr-Arua(119km), Corner Ayer-Corner Aboke-Bobi (55km), Muhoro - Ndaiga - Muzizi) (60km), Kashozi-Buremba-Kariro(68km), Hamurwa - Kerere- Kanungu/ Buleme - Buhoma - Butogota - Hamayanja - Ifasha–Ikumba (149km), Bombo - Ndejje–Kalasa (19km), Kabwohe - Kitagata–Rukungiri (67km), Adjumani - Obongi–Kulikulinga (80km), Katuugo - Kinyogogga (32km), Kinyogogga-Kaweweeta (9 km), Buwenge - Kaliro/Bugembe - Kakira–Bulongo (93km), Kikagati - Kitwe - Mirama Hills (30km), Kamuli-Buyende-Iringo-Irundu (62kms).

The Committee observes that these are critical roads whose current dilapidated conditions affects the socio-economic livelihood of the affected population.

The Committee recommends that additional funding be provided to UNRA to embark on development of the above-mentioned roads starting FY 2022/23.

7.22.5 VOTE 118: UGANDA ROAD FUND

Failure to operationalise URF as a second-generation Fund

Section 21 (3) of the Uganda Road Fund Act, 2008 provides that the monies of the Fund shall consist of:-

a) road user charges including fuel levies; international transit fees, collected from foreign vehicles entering the country; road license fees; axle load fines; bridges tolls and road tolls; and weight distance charges;
b) fines under the Traffic and Road Safety Act;
(c) monies appropriated by Parliament for the purposes of the Fund.

Parliament has on several occasions recommended that the MoFPED should develop regulations for the operationalisation of the URF as a second-generation fund to enable the URF tap into the sources of funding stipulated in Section 21 of the Act to meet its road maintenance needs.

The Committee was informed that URF prepared and submitted the Uganda Road Fund Draft regulations 2021 in line with the URF Act No.15 of 2008 to the Minister of Finance, Planning and Economic Development for signing on 8th June 2021, following approval by the Board.

The Minister directed harmonization of regulations 36, 37 with s.14 of the URA Act and undertaking a Regulatory Impact Assessment to guide the review process in a letter dated 16.07.2021. The Regulatory Impact Assessment is scheduled to take place from 7th-11th February 2022 and a report will be submitted to the Minister, as guided.

The Committee recommends that the Minister of Finance, Planning and Economic Development gazettes the regulations by 31st March 2022, since article 153(2) of the constitution clearly excludes revenues or monies payable by or under an act of Parliament for a specific purpose from being paid into to the consolidated Fund.

Inadequate funding for road maintenance

Parliament had in the budget of FY 2021/22 recommended that URF be allocated an additional UGX.100bn for road maintenance to ensure sustainability of the road network in the Country. However, the Budget of URF stagnated at UGX 506.17bn; and as at Q3 of FY 2021/22 only UGX 231.105bn of this Budget accounting for just 46% has been disbursed.

In the budget for FY 2022/23 URF has got an allocation of UGX. 506.23 billion per BFP while Annex 1 of the same BFP indicates that the budget has been reduced to 487.95 billion, as opposed to the UGX. 766.23 requested for. The allocation to the Fund is projected to remain stagnant at either UGX 506 billion or UGX 487.5 billion despite an introduction of a fuel levy to increase the budget for road maintenance. The allocation to URF is less than 50percent of what the fund would have realised had it been operating as a second generation fund.

The Committee observes that the problem of inadequate funding to road maintenance has persisted and led to accumulation of backlog which if remains unchecked shall require resources in trillions to restore the road network. In FY 2019/20, the backlog for road maintenance was estimated at UGX 3,148 billion, implying it's now higher.

The Committee recommends that URF be allocated the additional UGX. 260 billion to ensure that the road network that is currently in a deplorable state are restored and maintained.

7.22.6 VOTE 122: KAMPALA CITY COUNCIL AUTHORITY (KCCA)

Road Construction and Rehabilitation

Kampala has a road network of 2,110 Km out of which only 30% is tarmac. Most of the current paved network was constructed over 30 years ago and has outlived its design life. There is need to increase funding for City road construction and City road maintenance.

KCCA required funding of UGX.187.35 billion for FY 2022/23 but was allocated UGX. 119,98 billion leaving a funding gap of UGX. 67.37 billion.
The Committee observes that the state of road infrastructure in Kampala should not be compromised given that it is the Capital City of Uganda and therefore the face of the Country. The state of many critical roads in the city is appalling and must be addressed urgently to ensure connectivity and mobility within the city.

The Committee recommends that the additional UGX. 67.37 billion to cater for the construction and maintenance of roads in KCCA should be provided in the Budget for FY 2022/23.

Kampala City Drainage Improvement
Kampala has a dysfunctional storm water drainage system that results in frequent flooding even when there are light downpours.
Funds are required to implement the Kampala Drainage Master plan that aims at attaining a flood free city.

KCCA required funding of UGX.150 billion for FY 2022/23 for this purpose but was allocated UGX. 16 billion leaving a funding gap of UGX. 134 billion.
The Committee observes that there has been a lot of devastation caused by floods in Kampala City including loss of lives and therefore the problem must be urgently addressed.

The Committee recommends that the additional UGX. 134 billion required to improve the drainage system to alleviate flooding in KCCA be provided in the Budget for FY 2022/23.

7.22.7 VOTE 012: MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Ministry Zonal Offices (MZOs)
The Ministry decentralised its services through the establishment of the 22 MZOs. A number of milestones have been registered for instance increase in revenue generation, decline in land conflicts, mitigation of illegal land evictions, mitigation of corruption tendencies and general increase in land tenure security.

However the offices are currently experiencing funding challenges to meet basic operational requirements compounded by inadequate wage to recruit staff. The Ministry requested for UGX. 14 billion for MZOs but was only allocated UGX. 3.5 billion leaving a funding gap of UGX. 10.5 billion.

In regard to the wage component the Ministry was allocated UGX. 8.2 billion instead of UGX. 10.2 billion leaving a funding gap of UGX. 2billion. The Committee was concerned that this funding gap will further exacerbate the problem of staff working in more than one duty station thus not being available at a particular MZO on every working day; thus delaying service delivery to the public.

The committee also noted that MZOs are self-financing given that they generate on average UGX 120Bn in revenue as a result of the Land information System.

The Committee recommends that the additional funding of:

i. **UGX. 10.5 billion for operation of MZOs;**
ii. **UGX. 2 billion for the wage billbe provided for in the budget for FY 2022/23.**

Reaffirmation of the International Boarder

Lack of reaffirmation of Uganda's international border with its neighbors is a security threat. It fuels tensions and threatens harmonious relationship among the boarder communities. Lack of reaffirmation of the boarder has also made it difficult for regional infrastructure development on account of disagreements on boarder demarcations.

The committee observed that, whereas the neighbours are always ready to reaffirm the boarder the contrary is true for Uganda. The Ministry reports that the most urgent need for re-affirmation and survey is at the South Sudan/Uganda boarder for a stretch of 470 km which will cost Uganda UGX 4.8bn. Unfortunately, The Ministry has not been allocated any budget owing to limited budget

The Committee recommends that the budget provision of UGX 4.8bn for the re-affirmation of the International Border between Uganda and South Sudan be provided in the FY 2022/23

Land acquisition and compensation

The Ministry has received number directives for land acquisitions for satellite cities, industrial parks, shared corridors and other infrastructure development. Land acquisition is a tedious exercise that encompasses land administration, surveys and mapping, land valuation and physical planning. Owing to resource constraints, the Ministry is currently stuck with the directives and instructions and efforts requesting for supplementary funding have not yielded any tangible results.

The committee observes that once acquisition of land for these projects is not carried out ahead of time, the projects are likely to suffer implementation challenges, cost overruns, finance costs, redundancy cost, and delays among others. The estimated cost of land acquisition for numerous projects is estimated at UGX 15bn and no budget has been allocated in FY 2022/23 owing to resource constraint.

The Ministry also reports that it is currently facing compensation arrears occasioned by properties for cultural institutions, and a number of ranchers among others. The Ministry reports that, the current arrears are estimated at UGX 250bn and efforts requesting for supplementary funding from Ministry of Finance have yielded minimal results. The need for Government to pay compensation for cultural Institution's properties is backed by presidential directive and Government entered into Memorandum of understanding to effect the payments.

The committee observes that matters of land acquisition and compensation are very serious and required urgent attention.

The committee therefore recommends that UGX 265bn be allocated to the Ministry in FY 2022/23 to cater for land acquisition and compensation to cultural institutions properties and Ranchers.

Development of Physical Development Plans

The level of physical planning in the Country is less than 5% while the level of physical planning implementation is even worse. The Committee has overtime raised concern about the absence of Physical Planning in Uganda.
Urbanisation is currently estimated at 5.2% ahead of the level of planning in the Country which puts the entire country into disorganised development and proliferation of slums. Urban areas and all sorts of development have mushroomed in a haphazard manner. The committee is also concerned about the lack of a National Physical Development Plan upon which other physical plans should be anchored.

The Ministry had budgeted UGX. 105 billion for the development of physical development plans in FY 2022/23 but was allocated only UGX. 5 billion leaving a funding gap of UGX.100 billion. The Committee acknowledged that the UGX 5bn allocated for physical planning is under Uganda Support to Municipal Infrastructure development Project which is a World bank funded program and whose interventions are limited to USMID project areas. The Ministry reports that no GoU development funding has been provided for the development and implementation of the Physical development plans

The Committee recommends that funding of UGX. 100 billion be allocated for the development and implementation of the Physical Plans in the medium term.

Construction of Low Cost Housing for Ugandans

The Committee notes that National Housing and Construction Company (NHCCL) is the only Government agency in the Housing sub-sector with the requisite capacity and experience to deliver low-cost housing units and reduce the housing deficit countrywide on a yearly basis if supported by government with a revolving financing stream as project capital.

NHCCL requires UGX. 250 billion to implement social housing and housing value chain benefits. Additionally, the Ministry under the Directorate of Housing requires UGX. 130 Billion to implement institutional and social housing in line with the Presidential strategic directives of providing public servants housing for the army, police, teachers among others. This brings the total budget requirement to UGX. 380 Billion. However, the only budget allocated for this purpose is UGX 30 billion under NHCCL leaving a funding gap of UGX 350 billion.

The Committee recommends that UGX 350bn be provided in the Budget for FY 2022/23 to mitigated the highly escalating housing deficit currently estimated at 2.3Million; provide low cost houses to Ugandans as well as institutional houses for the Army, Police , teachers among others in a phased approach

7.22.8 VOTE 122: KAMPALA CITY COUNCIL AUTHORITY

Kampala City Physical Development Plan

Whereas the Kampala City Physical Development Plan was approved in 2013; the plan has not been implemented due to lack of financing.

KCCA requires financial support towards the implementation of the KPDP and other services including preparation of precinct plans, improvement in the review, processing and approval process of building plan, roll out of the Smart Permit system that is aimed at improving the plan approval process, ensure compliance to building regulations, building inspection and enforcement of the city physical laws and regulations.

KCCA required funding of UGX.5.68 billion for FY 2022/23 but was allocated UGX. 1.48 billion leaving a funding gap of UGX. 4.2 billion.

The Committee observes that physical planning is an area that needs serious interventions in this Country. The KCCA currently has haphazard infrastructure developments and land use resulting in incompatible developments in the same area for example, churches and factories in residential areas.

The Committee recommends that the additional UGX. 4.2 billion required to enhance KCCA Physical Planning capacities be provided in the Budget for FY 2022/23.

Maintenance Land Information System (LIS)
The digitisation of Land transactions is one of the key reforms of Government towards e-government to ensure efficient delivery of land services to the citizens. The land information system is rolled out in the 22 Ministry Zonal offices. The Ministry is currently in the process of launching online services by establishing public portals to reach out more Citizens and prevent vices related to corruption tendencies and speculators. However, currently, 80% of the LIS infrastructure have reached average life expectancy and operates below optimal capacity leading to undesirable outcomes like inefficiencies in service delivery, persistent breakdown of the system, and constant interference of services and worst of all temporary closure of some offices at MZOs during the service restoration period.

MoLHUD requested for UGX 19.5 billion for LIS maintenance in the budget for FY 2022/23 but was allocated UGX. 7billion leaving a funding gap of UGX. 12.5 billion.

The Committee observes that with a funding gap of UGX. 12.5 billion the Ministry will not be able to deliver on the online services yet the public had welcomed this intervention as it has gone along way in curbing fraud and land transactions and it was hoped that better was yet to come.

The Committee further observes that land transactions are currently riddled with too many irregularities that are very difficult to clean up manually. The Land Information management system must be up to date.

The Committee therefore recommends that the additional funds amounting to UGX 3 billion required for maintenance of the LIS should be provided to avert the crisis that could arise from its collapse.

7.23 COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT

Lack of Service Delivery Standards – Shs 1.6 bn
The Committee noted that there is limited coverage of service delivery standards as observed by the Auditor General's report for the FY 2019/2020. The Committee was further informed that Service Delivery Standard is pre-requisite to strengthening accountability and a key reform for each programme under NDP III.

Government should provide additional funding of Shs. 1.6 bn will enable the Ministry of Public Service to increase coverage in providing technical support to MDAs on developing Service Delivery Standards and implement the key reform.

Disparities between Budget Performance and individual performance
The Committee noted there has been a national concern over the general performance of Government and achievement of the development targets. This trend has been attributed among others to a weak public sector that focuses on processes and outputs rather than outcomes. There is lack of congruence between performance management system and budgeting frameworks. Whereas current budgeting framework is performance based, individual performance management framework is output.

Ministry of Public Service should develop and implement a strategic performance management system aimed at transforming public sector performance through introducing outcome/results-based assessment and linking individual and institutional performance to national goals and outcomes.

Establishment of the Public Service Pension Fund (PSPF) – Shs. 1.6 bn
The quality of life and life expectancy of Ugandans has improved. As a result, pensioners are living longer than the approved 15-year term current pension payment which has made the non-contributory pension scheme unsustainable. The Committee noted that The Public Service Pension Fund Bill, 2022 was submitted to Parliament and later withdrawn by the Minister of Public Service in the 10th Parliament due to other complications.

The Committee was informed that enactment of the Bill into law will require implementation of activities related to advocacy, stakeholders' engagement, capacity building and developing of enabling regulations, hence pre-reform activities needs to be carried before the Bill is re-tabled.

The Committee recommends that the complications associated with the Bill be resolved and the Bill re-tabled in Parliament for consideration.

Lack of approved new Cities Staff Structure
The Committee observed that much as the new cities were created and functional there is no approved staff structure which is hindering the operations of the new cities. In the FY 2021/22 funds were provided for recruitment of critical staff, the Committee noted that the process could not take place due to lack structures for the new cities. Lack of staff in the newly created cities affects service delivery.

In view of the above, the Committee recommends Ministry of Public Service expedite the approval of the new cities staff structure timely and improve service delivery.

7.23.1 VOTE 146: PUBLIC SERVICE COMMISSION

Upgrade of the E-recruitment – Shs. 1.2 bn

The Committee was informed that the E-recruitment system of the Commission was hacked into by a hacker last that affected the recruitment last year. This led the Commission to advertise the positions hence increasing cost of the processes. To cure the process, the Commission planned to upgrade the E-recruitment system coming FY. Funds were not provided for the upgrade.

The Committee therefore recommends Government to avail the Commission Shs. 1.2 bn for the upgrade of the E-recruitment system.

Limited Office Space Shs. 0.8 bn

The Committee observed that lack of Office space such as examination rooms, interview boardrooms, computer laboratories and facilities for people with disabilities has made it difficult to recruit more staff to handle all the mandate of the Commission. The Committee was informed that the Commission is operating with the capacity of 80 staff excluding the nine (9) Members of the Commission due to limited space. The Committee was informed that the Commission identified 2 acres of land at a cost of Shs. 0.8 bn within the environs of Kampala central business district to put an office space to accommodate the Commission.

Committee recommendations

a) **Additional Shs. 0.8 bn be provided to the Public Service Commission to acquire the land identified by the Commission to commence construction of the Office Block including a fully equipped ICT Lab for the purpose of E- recruitment system.**

Capacity gaps

The Committee noted that as a key actor, the Public Service Commission has made positive strides in ensuring that the Public Service acquires staff with key skills that are necessary to implement policies and programmes. The Committee further noted that the Commission has capacity gaps in terms of staff and tools/equipment as well as skills in some areas such as managing and developing of Test Instruments. There is therefore, need for additional funds to recruit more staff, acquire equipment/tools and training of members and technical staff to acquire relevant skills and knowledge.

Committee recommendation:

The Commission should advocate for increment in the wage bill by engaging the MoFPED and MoPS so as to fill existing vacancies.

Induction of the 10 City Service Commission – Shs. 127 million

The Committee observed that the Commission is mandated to guide and coordinate Cities/District Service Commission. The Committee further noted that the support by Government to District Service Commission has been very limited and yet Cities/District Service Commission manages almost 70% of the Public Service. Most Cities/District Service Commission are new and therefore lack capacity to perform their mandate.

The Committee recommends Government to provide Shs. 127 million to the Commission to induct the newly appointed members of the 10 City Service Commission

Poor enumeration of Cities/District Service Commission

The Committee was informed that Cities/District Service Commission Members are poorly remunerated with Retainer Fees ranging between UGX 20,000 to 300,000 depending on local revenue of the District. The Chairperson Cities/District Service Commission who is full time earns UGX 1,500,000 monthly before tax as salary.

In addition, the Committee noted issues affecting the performance of the Cities/District Service Commission including; human resource challenges, corruption by both Service Members and Technical staff, facilitation and equipment, political influence/ interference which have led to weak policies and in competencies in the Cities/District Service Commission.

Similarly the Committee further observed that over a period of time the Districts have grown from 56 to now 135. There are now ten (10) Cities with more coming on board. With each District and now Cities, a new Cities/District Service Commission is appointed.

Committee recommendations:

a) **The Commission should enable consistent and streamlined supervision and build capacity of the Cities/District Service Commission in conducting their mandates to ensure that they operate above manipulation and threats from the political leaders and compromise and thus complying with the rules.**
b) **MoLG and MoPS should pursue the Ministry of Finance, Planning and Economic Development to ensure that the emoluments and other financial benefits of the members of the Cities/District Service Commission with fixed amounts are set across the board and centrally managed, under the supervision of the Commission.**

7.23.2 VOTE 011: MINISTRY OF LOCAL GOVERNMENT

Parish Model Operationalization – Shs. 24 bn

The Committee was informed of the following key achievements under the Parish Development Model;

- The Parish Development Model Secretariat was established, with the Parish Development Model National Coordinator and Deputy The Parish Development Model Coordinator in place;
- Funds were sent to Local Governments for recruitment of Parish Chiefs. The posts filled so far are 9,847 (93%). The recruitment of the remaining 738 Parish Chiefs is at various levels of recruitment is ongoing This is an improvement as compared to the figures of 30th November 2021 here attached.
- Popularization of the Parish Development Model through the different categories of groups
- The Parish Development Model Guidelines as well as Operational Manuals for the respective Pillars were developed, namely: 1) Agricultural Value chain Development (Production, Processing and Marketing); 2) Infrastructure and Economic Services; 3) Financial Inclusion; 4) Social Services; 5) Community Mobilisation and Mind-set change; 6) Parish Development Based Management Information System; then 7) Governance and Administration; and.
- A harmonized Parish Development Model Training Manual which provides for cross-cutting training, including agricultural extension services, financial literacy, mindset change and community sensitization, data collection and governance; has been developed.
- Funds for recruitment of Parish Chiefs/Town Agents and preparatory activities were released for Q1 and Q2. Funds for the Financial Inclusion (Revolving Fund) have not been released yet. Funds for procurement of Tablets were released in Q1 to Local Governments. However, Local Governments have been directed not to spend this money.
- Parish Development Model secretariat has a shortfall of 24 bn for staff remunerations, communication, advertising and monitoring

The Model operations focus on prioritizing development of 18 commodities which include coffee, cotton, cocoa, cassava, tea, vegetable oils or oil palm, maize, rice, sugar cane, fish, diary, beef, bananas, beans, avocado, shea nut, cashew nuts and macadamia nuts.

Committee Recommendations:

c) **For the smooth implementation of the Parish Development Model, the Ministry of Finance, Planning and Economic Development should provide Shs. 24 billion to the Ministry of Local Government.**

d) **Review of the staffing structure at the Parish to introduce an Assistant Community Development Officer – to take into account the expanded mandate of the Parish under the Parish Development Model.**

Inadequate staffing of Local Governments

Absences of Critical Staff in the LGs to deliver decentralized services remain a key challenge to the sector, largely attributed to inadequate Wage Bill for Staff Recruitment. The Committee further observed that currently, the average staffing levels for critical posts in Local Governments stand at 53%. Without the required staff in place, it is difficult to ensure optimum delivery of services by Local Governments. Understaffing overstretches the available staff beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of public service delivery to the community. The Committee noted this was attributed to limited wage bill and a ban on recruitment by the Ministry of Public Service.

Committee recommendations:

Ministry of Public Service, the Ministry of Local Government and the Ministry of Finance Planning and Economic Development to address the staffing levels in the Local Governments immediately.

Lack of Office accommodation – Shs. 120 bn

The Committee noted that a number of Local Governments do not have office accommodation due to dwindling local resources and the LGs are unable to address the office accommodation challenge. This is affecting both old and new Local Governments. The Ministry of Local Government Non-Wage budget is inadequate in the view of the expanding mandate of new Cities, Sub counties, Town Councils, Councilors and Political Leaders. The Committee further observed that most of the newly created Cities, Town Councils and Sub Counties are faced with a challenge of office space to accommodate their staff. At the time of separation from the mother units, most of these recently created units do not receive these facilities and as such some are forced to resort to the use of dilapidated Government buildings while in other instances forced to rent office space which is quite costly and affects budgeting and service delivery. The Ministry of Local Government quoted Shs. 120 bn to construct office blocks for these TCs and SCs.

The Committee recommends that the Government avails Shs. 120 bn for the construction of office blocks for the newly created Town Councils, Sub Counties and Parishes. This is envisioned to improve productivity of staff as well as increasing value for money.

Inadequate resources to conduct comprehensive induction of Political Leader in the Local Governments – Shs. 12 bn

The Committee observed that one of the greatest detriments to service delivery and productivity in the Local Governments has been the failure by the political leaders in performing their duties especially supervision of staff and monitoring of Government programmes and projects at these lower governments.

The Ministry of Local Government has presented a cure to this in the form of sufficient induction of these LG leaders at the Districts, Municipalities and Cities, budgeting for Shs. 12 bn to cater for this exercise. This has however not been given an allocation in the MTEF for the FY2022/23.

The Committee recommends that Government allocates Shs. 12 bn to the Ministry of Local Government to cater for the induction of Councilors in 177 Districts/ Municipalities/Cities.

Poor remunerations of Political Leaders in the Local Government – Shs. 34 bn

Ministry of Local Government informed the Committee that Political Leaders in the Local Government currently poorly remunerated. These hinder the supervision of the Government projects and affect service delivery. After consultation the Ministry proposed the following remuneration for the Political Leaders in the Local Government; Sub Counties Councilors- Shs. 100,000, LC II Chairpersons - Shs. 50,000, LC I Chairperson - Shs. 30,000 Village Council and the Parish Council chairperson - Shs. 10,000 per month.

The Committee recommends that Government allocates Shs. 34 bn for remunerations of Political Leaders in respective Local Governments

7.23.3 VOTE 601-999 LOCAL GOVERNMENTS

Lack of detail information on Vote 601 - 999 to Parliament

Over the years, the Committee has not got the opportunity to scrutinize the budget of Vote 601- 950 as is the case with other votes and this has led to a number of complaints including the misuse of Public funds in some Local Governments as observed by the Auditor General reports over years. The current structure only allows Ministry of Local Government to present an overview of all the Local Governments in lump sum without the details that could help in the scrutiny of the individual votes.

The only time for interactions with the LGs in the budget process is during the regional consultative meetings which is done by the Executive arm of Government through the MoFPED while Parliament only engages these LGs through PAC- LG and this is when Parliament is acting on the Auditor General's reports which in essence is too late to cure the problems that could have arisen in the past financial years.

The Committee recommends that;

a) **The structure of reporting on the budget performance of all the Local Governments (votes 601-950) be reviewed to accommodate Parliament's ability to interact with these LGs directly during the scrutiny of the NBFP and the Budget.**

b) Ministry of Local Government should provide detailed information on all Local Governments in the the National Budget Framework Paper presented to Parliament to help identify the critical needs of the local Governments during the budget processes.

Funding Levels to Local Governments
The Committee observed that there are funds retained within the MDAs, which if were directly channeled to LGs, would increase the LGs Budget greatly. These funds are spent at the central government level through direct implementation of programmes and projects by MDA(s).

The Committee recommends that;

i. **LGFC comprehensively identifies these funds in the next FY's budget such that they are directly channeled to LGs.**
ii. **For efficiency and effectiveness in implementing Government programs and attainment of value for money and equity, identified funds should be directly channeled through local government Votes for FY 2021/2022 onward. This will also ensure ownership of the projects where by the LGs can be able to maintain them which ensure sustainability of the projects.**
iii. **The Committee proposes 15% allocation of the National Budget to Local Governments**

Additional staff for the Commission – Shs. 1.6 bn
The Committee was informed that in 2016 Cabinet approved a new structure for the Commission which increased the establishment from 48 to 64 positions to enhance performance with a wage implication of UGX 2, 155,651,760 revised from the current UGX1, 618Bn. To date the cabinet decisions have not been implemented which hinders the Commission from responding to the mandate occasioned by increased workload as a result of more local Governments and ten new Cities.

The Committee recommends Government to provide additional Shs. 1.6 bn for the Commission to recruit additional staff to respond to the increased work load

7.24 COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

Agro-Industrialization Programme
The table below shows the breakdown of the budget for the Agro-Industrialisation Program by Vote. The beneficiaries include entities in the Agricultural sector, but also those outside, that is, Embassies, NPA, Ministry of East Africa, Ministry of Local Government and UNBS.

VOTE CODE	VOTE NAME	BUDGET (BN) FY 2022/23
010	Ministry of Agriculture, Animal Industry and Fisheries	578.95
011	Ministry of Local Government	13.275
015	Ministry of Trade, Industry, and Cooperatives	10.15
019	Ministry of Water and Environment	435.462
021	Ministry of East Africa Affairs	0.251
108	National Planning Authority	0.331
121	Dairy Development Authority	11.55
122	Kampala Capital City	7.188
125	National Animal Genetic Resources Centre and Data Bank (NAGRC&DB)	71.775
142	National Agricultural Research Organization (NARO)	108.33
152	National Agricultural Advisory Services	103.424
154	Uganda National Bureau of Standards (UNBS)	1.11
155	Cotton Development Organization	8.018
160	Uganda Coffee Development Authority (UCDA)	85.59
502	Uganda High Commission in the United Kingdom	0.863
505	Uganda High Commission in Kenya, Nairobi	0.169
507	Uganda High Commission in Nigeria, Abuja	0.147
508	Uganda High Commission in South Africa, Pretoria	0.054
511	Uganda Embassy in Egypt, Cairo	0.316
512	Uganda Embassy in Ethiopia, Addis Ababa	0.195
514	Uganda Embassy in Switzerland, Geneva	0.378
515	Uganda Embassy in Japan, Tokyo	0.036
517	Uganda Embassy in Denmark, Copenhagen	0.132
518	Uganda Embassy in Belgium, Brussels	0.6
519	Uganda Embassy in Italy, Rome	0.068
520	Uganda Embassy in DRC, Kinshasa	0.167
532	Uganda Embassy in Germany, Berlin	0.12
524	Uganda Embassy in Iran, Tehran	0.144
525	Uganda Embassy in Russia, Moscow	0.258
526	Uganda Embassy in Australia, Canberra	0.070
527	Uganda Embassy in South Sudan, Juba	0.35
528	Uganda Embassy in United Arab Emirates, Abudhabi	0.900
529	Uganda Embassy in Burundi, Bujumbura	0.039
530	Uganda Consulate in China, Guangzhou	0.061
531	Uganda Embassy in Turkey, Ankara	0.205
534	Uganda Consulate in Kenya, Mombasa	0.530
535	Uganda Embassy in Algeria, Algiers	0.282
501	Local Governments 01	356.692

	Total for the Programme	1,798.18

The Committee's key concern remains as to how accountability for the funds disbursed to these entities that are outside the agricultural sector will be done. These Entities will be receiving funds under the Agro-Industrialisation Program and yet the Accounting Officers for these entities are different. The Ministry of Agriculture remains the lead agent in the Agro-Industrialisation Program.
The Committee further notes that UShs.6.438bn have been allocated to Embassies to market Agricultural produce abroad.

The Committee recommends as follows:

(i) **U3bn be re-allocated from the Embassies to the capture fisheries in order to boost sustainable capture fish production for export by supporting fishers at the major landing sites with quality inputs.**

(ii) **A few Embassies should be selected and piloted to market Uganda's agricultural produce targeting high value crops like Coffee, Cotton, Hass Avocado, Macadamia, Cereals, Milk and Tea. The rest will gradually be brought on board.**

Water for Agricultural Production

The Committee notes that MAAIF jointly with MWE developed the Irrigation strategies with clear mandates of each sector where MAAIF takes lead in all the on-Farm water and irrigation infrastructure development.

MAAIF through the Department of Agriculture Mechanization has embarked on the procurement of the specialized and Heavy Earth Moving Equipment and machinery sets to equip all the 19 Zonal Agricultural mechanization Centres in the country to ease access and use of the equipment for construction of water harvesting and storage facilities for irrigation, livestock and fish.

The Committee notes that while MAAIF had budgeted for 28 billion for water facility construction equipment, only 08bn has been provided in the MTEF and for small scale irrigation it had budgeted for 23.5bn and only 3.5bn has been provided in the MTEF.

The Committee is further concerned that there is intensive need for water for production without an approved National Irrigation Master Plan to support the assessment of water for production needs.

Committee Recommendations:

(i) **The funding gap amounting to UGX 10bn required to put up water facility construction equipment should be provided.**

(ii) **The funding gap under the Small Scale Irrigation Program amounting to UGX 10bn should be provided to enable MAAIF procure innovative irrigation technologies for users within the production systems in the water stressed areas.**

(iii) **MAAIF and Ministry of Water and Environment should fast track the finalization of the National Irrigation Master Plan to effectively guide in the assessment of water for production needs.**

Agriculture Extension Services

The Committee is concerned that the recruitment of extension workers has stagnated at approximately 77%. The staff establishment in Local Governments provides for 8,698 extension staff of which 3,790 are filled; (2,772 at sub county level) and thus a staffing gap of 4,908 extension workers.

Currently, there are 2,182 sub counties; implying an average of 1 extension worker per sub county against a requirement of 2-3 (to take care of crops, livestock and fisheries where applicable). In the FY 2022/23; one of the funding pressures is recruitment of 1,000 extension workers.

The Committee notes that while MAAIF had budgeted for UGX 5.629bn only UGX 0.629bn has been provided.

Committee Recommends:

(i) **The funding gap amounting to UGX 5bn required to enable MAAIF recruit and facilitate more Extension Workers should be provided. The Extension Workers are key because they will facilitate the implementation of the Parish Development Model by offering the requisite technical support.**

(ii) **Extension Staff should be equipped with transport and facilitation for their day to day running of activities especially in the newly created Administrative units (Cities, Districts and Sub counties).**

(iii) **Government should expedite the formulation of the Agricultural Extension Bill and designing of the agricultural extension strategy 2021/22, this will address the problems of extension services in the country.**

Fish Sector

The Committee notes inFY 2022/23 budget for the fisheries sector is Ug 12.006 Bn. The areas of focus are construction and equipping of cage based aqua parks in Kalangala and Apac. Intensifying surveillance for fisheries regulation to increase the fish stock on all major water bodies by supporting the Fisheries Protection Unit, procurement and maintenance of fisheries patrol boats, field patrol equipment and field patrol vehicles and procurement and distribution of quality inputs to fishers in the major Water Bodies.

The Committee wishes to report the country's earnings from fish exports as indicated:

- 2017 - USD 136mn
- 2018 - USD 171mn
- 2019 - USD 128mn
- 2020 - USD 73mn
- 2021 - USD 83mn

The Committee is concerned that the allocation to the fish sector is so minimal to leverage the potential in the fish sector. MAAIF had budgeted UGX 32bn to promote the Fisheries Aquaculture ponds but only UGX 02bn has been provided.

Committee Recommendations:

(i) **Government should consider investing more in the Fisheries Sub Sector as one of the major foreign exchange earners. The Committee therefore recommends that government provides more funds amounting UGX 6bn to the Fisheries Aquaculture Ponds. The Committee notes that MAAIF has been allocated UGX 20bn for disease control interventions, the Committee proposes that UGX 2bn out of the UGX 20bn should be reallocated from this item to Aquaculture Sector (Ponds) thereby leaving UGX 18bn for scaling up disease control.**

(ii) **An additional UGX 18bn should be provided by Government to the Capture Fisheries. This will boost sustainable capture fish production and exportation through procurement of the recommended fishing gear, boats and engines.**

(iii) **The UGX 3bn saved from the Embassies to re-allocated to support capture fisheries which will made a total of UGX 9bn to the capture fisheries.**

Agriculture Financing and Insurance

The Committee notes with concern that the agriculture credit facility created in 2009 to increase access to credit in the agriculture sector has not directly targeted small holder farmers. Most small holder farmers are not aware of the scheme while others are not able to meet the prerequisite of obtaining such loans.

Committee Recommendations:

(i) **Funds for agriculture financing should be transferred to Uganda Development Bank because it has the capacity to expand and spread throughout the country.**

(ii) **Government needs to invest in sensitization of farmers on the credit facilities that target farmers and their availability and accessibility.**

Agriculture Equipment and Mechanization

The Committee notes that a total of 320 tractors and matching implements were procured and distributed to all regions of Uganda. And that more contracts have been signed to supply 100 more tractors and implements, purchase of earthmoving equipment (4 excavators, 2 wheel loaders and 2 motor graders).

The Committee notes that there are funding gaps in the amount required for procurement of assorted tractors and implements and procurement of ox-ploughs and accessories.

Committee recommendations:

(i) **More funds amounting to UGX 40bn required for procurement of assorted tractors and implements should be provided.**

(ii) **More funds amounting to UGX 10bn required for procurement of ox ploughs and accessories should be provided. This will facilitate mechanization of agriculture and help farmers to move from subsistence farming to commercial farming.**

(iii) **Ushs 20bn for bush clearing excavators to clear farm land**

(iv) **Ushs 10bnis provided for developing zonal and sub-regional agricultural mechanization centers.**

Uganda Coffee Development Authority (Ucda)

The Committee notes that the volume of coffee produced increased from 7.75million 50kg bags in FY 2019/20 to 8.06kg bags in FY 2020/21, an increase of 4% and the total of 6.08 million kg bags of coffee were exported valued at US$559 million by 30th June 2021.

Under the Directorate of Development Services, the proposed budget cuts from agricultural supplies in FY 2022/23 is UGX 44.5billion and the total budget under agricultural supplies is 33.1billion. The Committee notes that some activities will be affected by budget cuts which will then impact on implementation of the Coffee Roadmap that is aimed at producing 20 million bags of coffee by 2025. Some of the activities that will be affected include;

increase in production and productivity, modernize post-harvest handling and storage, coffee processing and value addition.

The Committee further notes that there are outstanding arrears on procurement of coffee seedlings amounting to UGX 19.2bn and also a funding gap on the projected procurement of additional seedlings of UGX 19.2bn.

Committee Recommendations:

(i) **Reinstate the UCDA funds**

(ii) **The Committee strongly recommends that UCDA should be supported to enable procurement of coffee seedlings to increase production to meet the strategic objective of the Coffee Road Map of producing 20m bags by 2025.**

(iii) **The Committee also recommends that UGX 19.2bn required to clear the outstanding coffee seedling arrears should be provided. The delay in clearing the arrears has grossly affected the coffee nursery operators.**

(iv) **The Committee further recommends that UGX 19.2bn projected for the procurement of coffee seedlings should be provided. Government should be cognizant of the fact that coffee production has been steadily increasing. In FY 2020/21 there was an increase of 4% with the production of 8.06 million 60kg bags earning the country US$559 million by 30th June 2021.**

(v) **The additional UGX 2bn required for procurement of primary processing equipment including hullers (Robusta coffee), Wet mills (Arabica coffee) and Solar driers should be provided**

(vi) **The UGX 1bn required for procurement of a Soluble Coffee Plant to promote the value addition of coffee in line with the Agro-industrialization program.**

7.24.1 NATIONAL AGRICULTURAL RESEARCH ORGANISATION

Strengthening agricultural research

The Committee notes that in a bid to strengthen agricultural research and technology development, NARO plans, among others, to establish two research laboratories for fish diagnostics at Aquaculture Research Development Centre to support increased aquaculture production and productivity. It will further research and implement domestication of the Nile Perch for expanded market, industry, nutrition and job creation. NARO also plans to develop suitability maps for soil, land and crops in the country.

The Committee notes with concern that there are huge funding gaps in the amounts that are required to equip agricultural research laboratories and retooling (20.4bn), in revitalizing research institutes (20bn), domestication of the Nile Perch (5.2) and conduct research and management of the invasive species weeds on water bodies (4.7).

The Committee recommends that Government considers providing resources to enable NARO accomplish its planned activities by providing money to clear the following funding gaps;

- **(i) UGX 20.4bn to enable equipping agricultural research laboratories and retooling.**
- **(ii) Additional UGX 20bn to enable revitalizing the research institutes.**
- **(iii) UGX 5.2bn required for domestication of the Nile Perch.**
- **(iv) Additional UGX 4.7bn required to conduct research and management of the invasive species weeds on Water Bodies.**

7.24.2 NATIONAL ANIMAL GENETIC RESOURCES CENTRE AND DATA BANK (NAGRC & DB)

NAGR&DB Underfunding

The Committee takes note that NAGR&DB has been focused on increased access to improved genetics to farming households. The community based breeding outreach initiative where various farmers are supported through avenues such as artificial insemination, embryo transfer and availing of live animals has increased access to improved animal genetics by 14.2%. This is a result of investment in importation of good breeds, establishment of liquid nitrogen plants, strengthening of the delivery of assisted reproductive technologies countrywide, construction of hatcheries at regional level, and improvement of infrastructure at government farms.

Committee Recommendations:

In order to maintain the momentum, there is need to support the entity by availing funds for their unfunded priorities as follows:

- **(i) UGX 15.9bn required for introduction, multiplication and production of tropicalized superior breeding stock on NAGRC&DB farms.**

- **(ii) UGX 10bn required to undertake community breeding outreach programs.**

(iii) Ushs 30bn is required to establish animal and fish feeds, production and storage

7.24.3 DAIRY DEVELOPMENT AUTHORITY (DDA)

DDA Arrears

The Committee notes that DDA has challenges of persistent arrears. In some of the sector this affected programme implementation as funds allocated for FY 2020/21 activities were spent on spillover arrears from FY 2020/21. Additional arrears were created in FY 2020/21 accrued on were not paid for, membership subscription to international organizations, utilities and labour costs.

In FY 2019/20 the Vote received a budget cut from MoFPED of 2.7bn (about 30 percent of the budget) and these shortfalls in the releases affected payment of construction works in Kitgum Milk Collection Centre and other suppliers. These arrears were carried forward to FY 2020/21. Subsequently, in the FY 2020/21, DDA received budget cuts in Q4.

Committee Recommendations:

(i) **The Committee recommends that MoFPED should ensure adequate release of funds according to the budget and make timely releases to avoid accumulation of arrears.**

(ii) **Government should look for funds required by DDA to enable it implement its planned activities as follows:**

(a) UGX 5.18bn to construct (03) new and rehabilitate (14) old dairy cold chain infrastructure; Milk Collection Centre.

(b) UGX 11.4bn for upgrading Entebbe Dairy Training School to a Dairy Training and Incubation college.

(c) The funding gap amounting to UGX 4bn to rehabilitate and equip the Mbale Dairy Factory. The Committee further proposes that UGX 2bn be re-allocated from strategic interventions under 010 and added to the Mbale Diary Factory.

(d) UGX 5.2bn to construct and equip regional milk testing laboratories.

7.24.4 NATIONAL AGRICULTURE ADVISORY SERVICES (NAADS)

High Value Crops
The Committee notes that there are emerging high value crops that will be promoted in Financial Year 2022/23. These include Macadamia, Cashew nut and Hass avocado. These cash crops can be grown in most parts of the country including Eastern and Northern Uganda, where there are no export cash crops being grown. Accordingly, NAADS has made a budget provision of UGX 12bn for Macadamia and 8.4bn for Hass Avocado.

The Committee notes that in light of the growing demand for the crops and the high export potential, there is need to increase their budget in the medium to long term.

The Committee notes that under the Parish Development Model,NAADS will shift from procurement and distribution of planting materials such as maize, beans, mangoes, bananas, and citrus, which will be handled under the parish model and focus on strategic national export crops such as Hass avocado, Macadamia, cashew nut and tea. These cash crops may not be adequately managed under the parish model because of the high level of specialization and technical capacity required for the efficient management of the value chains right from identification and sourcing of the suitable varieties to the provision of extension services for production, post-harvest handling, agro-processing and marketing.

The Committee is further concerned that the standing pledge of provision of hand hoes per household has a funding gap of 30bn.

Committee Recommendations:

Funds should be provided to enable NAADs offer the services that will ensure high production and productivity at farm level, minimize the usual challenges of post-harvest loss and therefore guarantee high returns for the farmers and boost exports earnings. The Committee therefore recommends as follows:

(i) Reinstate NAADs funds in the FY2022/23;

(ii) The UGX 30bn required to procure HAND HOES should be provided because this is a standing pledge

(iii) UGX 30bn required for MSM scale value addition equipment for Sim Sim and Ground Nuts (oil seeds) in Northern, Eastern and Karamoja regions in Uganda

(iv) **Ushs [illegible] for ppromotion of Hass avocado and UShs 10bn for promotion of Macadamia growing in Local Governments should be provided.**

(v) **UGX 2bn needed to promote small scale value addition equipment for Cocoa should be provided.**

(i) **UGX [illegible] required to promote production and processing of Cashew nuts should be provided.**

(ii) **UGX 15bn required to promote and support Tea growing and processing should be provided.**

(vi) **The Committee urges Government to fully repossess and provide funding for the following categories of perennial and plantation crops; Cocoa, Coffee, Tea, Macadamia, Hass Avocado. These should not be under the PDM.**

7.24.5 COTTON DEVELOPMENT ORGANIZATION (CDO)

Specialized Machinery and Equipment

The Committee notes that Uganda has the best cotton in Sub Saharan Africa but 90% is exported and processed leading to huge loses by the country. CDO plans to procure and install specialized machinery and equipment at Pader Station and undertake repairs and maintenance of existing machinery to enable it carry out value addition to the cotton.

Committee Recommendations:

(i) **CDO should in future focus more on cotton processing and value addition than primarily focusing on production.**

(ii) **After rationalization of Government agencies and mainstreaming of CDO into MAAIF, it is uncertain whether Private Sector (Ginners) will continue to support processing and distribution of cotton planting seed, the Committee therefore recommends that Government provide funds amounting to UGX 8.408 needed for seed multiplication.**

(iii) **UGX 0.59 needed to pay salaries and staff costs (NSSF& Gratuity) should be provided;**

(iv) **Ushs 5bn for pesticides for Cotton**

7.25 THE COMMITTEE ON EAST AFRICAN COMMUNITY AFFAIRS

7.25.1 VOTE 021: MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS

MEACA's unfunded/underfunded priorities.

Observation

The Committee observes that a number of critical activities under MEACA remain unfunded or underfunded. The Committee observes that despite its earlier recommendation, there was still low public awareness and sensitisation of Ugandans on EAC integration especially at the border points. The lack of awareness of the integration agenda continues to disadvantage Ugandans from exploiting the opportunities presented by the EAC integration. Additionally, the 22nd EAC Micro Small and Medium Enterprises trade fair, scheduled to be hosted in Uganda in December 2022 is unfunded.

The Trade Fair is an EAC activity which is held on an annual and rotational basis and was first launched in 1999 on the directive of the EAC heads of state with the sole aim of enhancing and revamping the socio-economic integration of the people of East Africa. It brings together small and medium enterprises from the EAC Partner States commonly known as the Jua Kali/Nguvu Kazi who represent the Informal sector. This sector has the majority of entrepreneurs and is vital in the region's development process but the critical activity remains unfunded. Additionally, MEACA struggles to pursue its mandate due to the inadequate funding of activities that require consistent engagements with partners states and the EAC organs within the region. Such engagements often dictate that the Minister and the officials responsible physically travel within the region so as to yield good bargains and partnership for Uganda. This is often not realized due to underfunding.

The total required funding for unfunded and underfunded priority activities is **Ushs. 16.216Bn**.

Recommendation.

i. **The Committee recommends Ministry of Finance, Planning and Economic Development rises the MTEF provision for operational expenses from Ushs. 28.66 Bn to Ushs. 36.15 Bn. Therefore, the funding gap of Ushs. 7.5 Bn be provided.**
ii. **The Committee recommends that the Ministry of Finance, Planning and Economic Development allocates funding for the unfunded critical activities to the tune of Ushs. 8.716 Bn as broken down below.**
    - EAC Mandatory and statutory meetings – Ushs. 2.5 Bn
    - Sensitization and public awareness Ushs. 1.8Bn

- Hosting of the 22ND EAC Micro small medium enterprise (MSME) Trade fair – Ushs. 0.71Bn
- Compliance with implementation of EAC Decisions and Directives monitored and evaluated – Ushs. 1.1Bn
- EAC Common Market Implementation Plan (CMIP) evaluation – Ushs. 0.465 Bn
- Mininister's EAC engagments with EAC organs Ushs. 0.37Bn
- Policy oriented research and dissemination – Ushs. 0.291 Bn
- EAC Political Confederation – Ushs. 1 Bn
- EAC monetary Union – Ushs. 0.48 Bn

Inadequate funding for the implementation of the EAC resolutions and directives.

Observation

The Committee observes that the implementation of EAC resolutions and directives continues to be curtailed by the apparent inadequate funding which consequently hampers the implementation of the integration agenda in Uganda. Additionally, the lack of a legal framework mandating MEACA to compel affected MDAs to domesticate EAC resolutions and directives into policies, laws, budgets and programs continues to frustrate integration. The Ministry only performs a coordination and supervisory role which is not only critically underfunded but also EAC resolutions often not given priority by most affected MDAs.

Recommendation.

The Minister of Finance, Planning and Economic Development should table a bill for amendment of the Public Finance Management Act to provide for a certificate of EAC resolutions compliance of the NBFP. This will compel all affected MDAs to incorporate EAC resolutions and decisions (as and when passed) in their policies and budget frameworks, without which, budgetary appropriations would be affected.

7.26 COMMITTEE ON PRESIDENTIAL AFFAIRS

7.26.1 MINISTRY FOR SECURITY

Mitigate of Security Threats

The Ministry of Security coordinates the Security Sector. Under the guidance and direction of H.E the President, the Ministry of Security is to "follow-up on threats against the national economic and development activities of Government, serious good governance problems and conspiracies and collect intelligence and evidence and present it to appropriate body for necessary action".

The Committee was informed of numerous threats like hacking into the financial systems, cyber space and Oil & Gas among others that if not checked compromise national security.

The Committee notes with concern that the budget provision in the MTEF ceiling for Vote 001 to fund the planned activities in form analyzing counter intelligence reports, coordinating security agencies, developing and issuing security guidelines is inadequate to enable execution of the envisaged mandate.

The funding requirement for what the Committee considers very critical is Ushs. 14.90 bn and only Ushs. 4.90 bn is provided for in the MTEF ceiling of Vote 001 resulting into a funding gap of Ushs. 10.0 bn.

The Committee recommends that Ushs. 10.0 bn be availed to enable the Ministry of Security mitigate threats of cyber insecurity, economic and financial surveillance and Oil & Gas related insecurity.

Facilitation for Resident District Commissioners (RDCs)

Office of the President requires Ushs. 12.2 bn to facilitate Resident District Commissioners monitor implementation of Government programs but only Ushs. 9.7 bn is provided for in the MTEF ceiling. The Committee has observed that facilitation to conduct effective monitoring of Government programs is underfunded to the tune of Ushs. 2.5 bn.

The Committee noted that the budget provision to the Office of the President in as far as facilitation for RDC's is concerned has not experienced any substantial enhancement for a long time despite the increase in the number of Districts.

The number of Districts has increased from 80 Districts to 98 Districts, then 112 Districts, 116 Districts, 122 District, 128 in the FY 2018/19, 135 Districts in FY 2019/20 and now stands at 146 Districts which in accordance with provisions of Article 203 (1) of the Constitution of the Republic of Uganda, 1995 (Amended) translates to the increased number of RDCs with the associated costs.

Members further noted that the inadequate facilitation for RDC's to monitor Government programs leads to poor implementation of Government Programs and therefore poor service delivery.

The Committee recommends that facilitation to the Office of the President in FY 2022/23 be enhanced to enable the RDC fulfill their mandate envisaged under Article 203 (3) (a) of the Constitution.

The Committee therefore recommends that, Ushs. 2.5 bn be provided to Vote 001, Office of the President to facilitate the RDCs execute their mandate envisaged under Article 203 (3) (a) of the Constitution.

Facilitation for newly recruited Presidential Advisors

H.E the President appointed 139 Presidential Advisors. This necessitated that, Office of the President provides an enabling environment to enable them deliver on their mandates.

The Committee was informed that Office of the President requires Ushs. 8.3 bn to facilitate the Presidential Advisors in form of Office rent and allowances but only Ushs. 3.2 bn was provided for through a supplementary request and has not been maintained in the MTEF ceiling of Vote 001.

The Committee recommends that, Ushs. 8.1bn be provided to Vote 001, Office of the President to facilitate the newly appointed Presidential advisors.

Public Policy Executive Oversight Forum - Apex Platform

Cabinet under MIN. 482 (CT 2018) dated **November 5th 2018** approved a recommendation to establish a Public Investment Management Systems platform for the uptake, learning and decision-making code named the "**Apex Platform**". The establishment of the Apex Platform was envisaged to come with the benefits of reducing Uganda's losses resulting from the inefficiencies in spending (World Bank 2017) and addressing low absorption capacity that has resulted into high commitment fees on loans and grants (MFPED 2018).

The Committee was informed that, establishment of the Apex Platform will strengthen the participation of the Presidency in the Public Investment Management System (PIMS) and provide an effective forum for the Executive to review, reflect, learn as well as adopt recommendations for an effective PIMS regime.

The Committee established that, despite the Cabinet Resolution under MIN 482 (CT 2018), interventions under the Apex Platform have been provided Ushs. 4.7 bn against the required amount of Ushs. 34.119 bn resulting into a funding gap of Ushs. 29.419 bn that was envisaged to facilitate preparation of the Evidence Based Oversight Executive Report for NDP III and following up on the implementation of Executive Decisions from M & E of Government Programmes (Ushs. 17.455 bn) and Procurement of the APEX Platform Eco System Management Tool and Equipment (Ushs. 8.454 bn) among others.

The Committee recommends that Ushs. 10 bn be provided to Vote 001 to facilitate the operationalization of the Apex Platform.

Monitoring the Mainstreaming Manifesto Commitments

The Committee observes that the importance of the Manifesto Implementation Unit cannot be over emphasized. The Unit ensures that the Manifesto commitments are mainstreamed in the relevant Programs of MDAs and conducts camps to evaluate the status while at the same time amplifying the achievements to the public.

The budget provision in the MTEF ceiling for Vote 001 to fund the planned activities of the Manifesto Implementation Unit is inadequate to enable execution of the envisaged mandate.

The funding requirement for the Manifesto Implementation Unit is Ushs. 4.05 bn and only Ushs. 2.20 bn is provided for in the MTEF ceiling of Vote 001 resulting into a funding gap of Ushs. 1.85 bn.

The Committee recommends that Ushs. 1.85 bn be provided to Vote 001 to enable the Manifesto implementation Unit effectively monitor the mainstreaming of Party Manifesto in all MDAs and LGs.

Support to Research and Development Projects

Presidential Scientific Initiative on Epidemics (PRESIDE) aims at harnessing Science through think tanking, networking and building capacity of scientists and institutions, providing technical support and funding focused on priority value chains aimed at industrialization and commercialization.

The challenges posed by the COVID-19 Pandemic inspired PRESIDE to adopt an R & D Model aimed at fast tracking development of products that will help the Country respond to outbreaks and contribute to economic growth of the Country.

As a result, 23 projects are funded in the FY 2021/22 budget with 20 of them on course to delivering marketable products that are likely to contribute to the national GDP through exports and import substitution.

The Committee was informed that the required funds for the Diagnostic Project is Ushs. 105.5 bn but only Ushs. 37.5 bn is provided in the MTEF ceiling of ST resulting into a funding gap of Ushs. 68.0 bn.

The Committee established that, the funding gap will adversely affect the Diagnostic Project on the development of Polymerase Chain Reaction (PCR) and Anti-Body Diagnostic Kit (Ushs. 2.7 bn), the Saliva Diagnostic Kit (Ushs. 1.0 bn), Anti-Body ELISA for COVID-19 Surveillance (Ushs. 1.0 bn), setting up a Pilot Vaccine Manufacturing Plant (Ushs. 20.0 bn), setting up a BSL4 Lab at UVRI (Ushs. 19.82 bn) and Anti-tick vaccine (Ushs. 5.18 bn) among others.

The Committee observes that, these are critical interventions that in addition to helping the Country respond to outbreaks, contributes to the economy in form of exports and import substitution.

The Committee therefore recommends additional Ushs. 3.0bn be provided to Vote 001 to enable STI effectively implement the interventions envisaged in the Diagnostic Project.

Management of the established Mulberry and Construction of rearing houses for Sericulture Project

Sericulture is the art and science of rearing of silkworms for the production of raw silk and its end product is silk, which is believed to be the most expensive textile fiber and therefore the most lucrative textile fiber. The project is implemented by Tropical Institute of Development Innovations (TRIDI) and it started as an Innovation in FY2017/2018.

The Committee was informed that, the Sericulture Project initiated works for commercialization of the project that shall ensure consolidation of stage one of the cycles, which involves mulberry leaf production and and also progress to silkworm production, and silk processing.

It was established that, Sericulture Project plans to continue managing mulberry establishment on 2000 acres of land and to establish 34 rearing houses in the following districts; Iganga, Mubende, Bukedea, Bulambuli, Zombo, Gomba, Busia, Kween, Nwoya, Otuke, Amorator, Lira, Luwero, Kitagata, Nakaseke, Buikwe, Mukono, Kayunga and Kiruhura; which will be followed up by the other eight (8) stages from rearing of silkworm to commercialization of silk products.

The Committee established that the Ushs. 11.408 bn required to undertake these interventions are not provided for in the MTEF ceiling of the Sericulture Project yet the said interventions are intended to translate into the reduction of loses and waste of mulberry leaves through granage; a concept that involves egg production and supply, rearing houses and the rearing.

The Committee was informed that, provision of the said funds will enable the Sericulture Project manage mulberry on 2000 acres of land to produce about 1000 metric tons of wet silkworm cocoons, build egg production capacity to produce 10,000 silkworm boxes of silkworm every year, establish 3000 square meters of Silkworm rearing houses to support silkworm rearing on the established 2000 acres of land and employ over 1000 casual workers in mulberry gardens and additional 1000 workers in silkworm rearing. It was reported that this will be in addition to 85 full time staff and over 630 casual workers who derive their livelihood from the Sericulture Project in addition to the 72 graduate trainees offering technical support at different sites in the Country.

The Committee observes that, funding interventions of the Sericulture Project is likely to facilitate the revitalization of the Silk Industry with its linkages to job creation across the Country; an intervention consistent with the NRM Party Manifesto for 2021 to 2026 of creating over 3,000 jobs.

The Committee recommends that Ushs. 11.408bn be provided to Sericulture Project to facilitate the commercialization works in form of continuous management of mulberry establishment on 2,000 acres of land, egg production and supply, rearing houses and the rearing.

Clearance of Payments for Procured Machines and Acquisition of Land for Factory establishment and Production of raw materials

The Committee was informed that, the Sericulture Project has initiated procurement of silk post cocoon central processing facilities and requires additional funds to clear the payment for the machines to be delivered and installed in the four regions. The Committee also established the need to procure land so that Government investment is not housed on privately owned land.

The Committee therefore identified the need for the Government to procure land for the project in all the sixteen agro-ecological regions of Uganda in a phased manner. In FY 2022/23, the minimum acreage required is 6 square mile of land that is needed in the five agro ecological regions that will ensure minimum production of raw materials to sustain and operate the post cocoon processing industries at commercial scale.

The Committee observes that the Ushs. 18.15 bn required for clearing procured machines and acquiring land for factory establishment and production of raw materials is not provided for in the Sericulture Project.

The envisaged outputs from this level funding will include payment of four (4) sets of silk reering factories thereby creating 200 jobs for reelers and machine operators, six square miles of land acquired for factory establishment and production of the minimum raw materials required for processing; an intervention that positions Uganda to export silk and attain import substitution as well. It is expected that, with the procurement of six square miles of land, additional 1000 full time jobs will be created immediately. At full operation, this will translate into 10,000 jobs in the next three years.

The Committee recommends that Ushs. 18.15 bn be provided to Sericulture Project to facilitate complete procurement of the machines and acquisition of land for the factory.

7.26.2 VOTE 002 – STATE HOUSE

Presidential Donations

State House requires Ushs. 83.033bn to facilitate payment of pending donations but only Ushs. 53.033bn is provided for in the MTEF ceiling, resulting into a funding gap of Ushs. 30.0 bn. Information availed to the

Committee indicates that unfulfilled Presidential Pledges were among the key budget execution challenges to State House year in year out.

The Committee observes that, the demand for Presidential Donations is ever increasing and calls for enhanced allocation.

The Committee recommends that Ushs. 30.0bn be provided to State House to facilitate the fulfilment of the Presidential Donations.

Poverty Alleviation Initiatives (Model Villages)

The Committee was informed that, there are only 27 model villages in existence and efforts to roll out this intervention to more areas whilst continuing with the support of the existing ones has been operating on a budget of Ushs. 2.0 bn. Information provided to the Committee indicates that the unit cost of interventions in a Model Villages is Ushs. 0.60bn which translates to Ushs. 16.2 bn for the 27 Model Villages.

The Committee therefore recommends that Government provides Ushs. 14.2.0 bn to enable State House effectively support the 27 models to produce in a commercially viable manner and also explore avenues of rolling out the initiative.

Retooling State House

The Committee was informed that Vote 002 plans to maintain Entebbe State House Complex to the required standard, repair and maintain Nakasero State Lodge and the 23 upcountry State Lodges. The Committee established that, these interventions require Ushs. 39.358 bn but only Ushs. 12.338 bn is provided in the MTEF ceiling of Vote 002 resultig into a funding gap of Ushs. 27.02 bn.

The Committee therefore recommends that Ushs. 27.02 bn bbe provided to Vote 002 to facilitate the retooling intervention of State House.

7.26.3 VOTE 107 – UGANDA AIDS COMMISSION

Interventions to reduce HIV Prevalence in Uganda

The Committee was informed that, HIV prevalence has declined from 6.8 in 2010 to 5.4 in 2020 while HIV per 1000 has declined from 3.4 in 2010 to 1.0 in 2020 and HIV new infections have reduced from 94,000 in 2010 to 38,000 in 2020.

Whereas the Committee appreciates this trend, it noted that, the decline in HIV new infections was largely in the general population but not in Adolescent, Girls and Young Women (AGYW).

The Committee observes that, the Ugandan HIV epidemic remains severe, generalized and heterogeneous, across geographical, socio-demographic and in all economic subgroups.

For instance, airing out HIV prevention messages/Talk shows on local Fm Radios and Parish level zidandolos, HIV school prevention drama and debates require Ushs. 3.76 bn but only Ushs. 0.376 bn is provided resulting into a funding gap of Ushs. 3.4 bn.

The Committee also established that UAC requires Ushs. 1.71 bn to accredit 5,000 CSOs to provide HIV prevention services and build capacity of 1,000 Leaders at local level in HIV Prevention at Parish level and national events but only Ushs. 0.59 bn is indicative allocation resulting into a fnding gap of Ushs. 1.12 bn.

The Committee is of the strong view that, these interventions will avert the new HIV infections for adolescent girls and boys through behavioural change communication and regulate operations of CSO to ensure adequate coverage of HIV prevention services and sensitize leaders at parish level on HIV prevention across different regions in the country.

The Committee is alive to the fact that HIV and AIDs scourge is still a threat and real and therefore requires continued interventions if the Country is to mitigate this threat with its associated effects on productivity.

The Committee recommends that, Ushs. 4.5 bn be provided to Vote 107 to enable them air out HIV prevention interventions (Ushs. 3.4bn) and facilitate accreditation of CSOs (Ushs. 1.12 bn).

7.26.4 VOTE 112 – ETHICS AND INTEGRITY

Coordination of IAF Activities

The Directorate of Ethics and Integrity plans to coordinated IAF activities and strengthen Anti-Pornography mechanisms through creating Public Awareness on the dangers of pornography, detecting and prohibiting pornography among the public and apprehending and prosecuting pornography offenders in an effort to improve morals in the Country. In FY 2022/23, this intervention requires Ushs. 1.2 bn but only Ushs. 0.05 bn bn is provided resulting in the funding gap of Ushs. 1.15 bn.

The Committee recommends that Ushs. 1.15 bn be provided to enable the Directorate of Ethics and Integrity execute its mandate of coordination.

Dissemination of Anti-Corruption laws.
The Committee observed that corruption is on the increase in the country and this attributed to minimal campaign again it by the mandated agency. Further noted that the one off anti-corruption day does not make any positive impact. The Committee was informed fighting corruption and moral decadency is a collective responsibility of all stakeholder. Therefore the Directorate of Ethics and Integrity has planned to carry out nationwide sensitization against corruption targeting schools and higher institutions of learning. This is meant to change the mindset of the young people and their view towards corruption. However this critical activity is inadequately funded. For instance, out the Ush 3.0bn budgeted for formulation and dissemination of anti-corruption laws, only 0.15 bn was allocated in the MTEF ceiling, leaving a funding gap of Ush 2.85 bn.

The Committee therefore recommends that Ush 2.85 bn be provided to Ethics and Integrity to effectively execute its mandate.

7.26.5 VOTE 158 – INTERNAL SECURITY ORGANIZATION (ISO)

Transport Challenges to ISO
The Committee was informed that ISO has not been able to provide transport (vehicles) for its operations both at Headquarters and field stations. The Committee established that, ISO has a fleet of 28 vehicles of varying ages and conditions; most of which are too old and frequently break down with the related costs of repair and maintenance exceeding Ushs. 0.76 bn annually.
The Committee further established that, ISO requires 345 Motor Vehicles to cover all stations in the Country, both for Headquarter and Field Operating Stations. The Organization also has onlym1,204 Motor Cycles out of the required 2,252 to cover all GISOs and Special Operations, resulting into a deficit of 1,048 Motor Cycles.

The Committee noted that ISO requires Ushs. 65.5 bn to acquire new vehicles in the FY 2022/23 but only Ushs. 1.67 bn is the indicative budget allocation to the procurement of transport equipment leading to funding gap of Ushs. 63.51 bn.
The Committee observes that transport equipment is critical to the operations of ISO, especially those operating along the porous borders of the Country. The Committee further observes that collection of timely intelligence by ISO personnel and coordination with sister security agencies is greatly undermined by mobility challenges.

The Committee recommends that Government provides Ushs. 15.0 bn as development budget to enable the procurement of transport equipment in the medium term.

Recruitment and Training

Internal Security Organization plans to recruit and train 200 Operative Officers in FY 2022/23 to cover new administrative units and gaps created in the old administrative units. The Committee observes that Ushs. 5.39 bn is desired to implement this activity but only Ushs. 1.45 bn is indicative allocation for FY 2022/23 resulting into a funding gap of Ushs. 3.94 bn. The Committee is cognizant of the fact that issues relating to security are dynamic in nature and the concerned organization should be prepared to recruit staff that are fit for the purpose at all times.

The Committee recommends that Government provides the Ushs. 3.94 bn to enable ISO recruit and train staff for effective and efficient delivery of the mandate bestowed on them.

Facilitation to Internal Intelligence Collection by ISO

Resources allocated to information collection are critical in facilitating structures both at the center and the field to gather information on the prevailing and emerging threats that can cause instability and undermine the State. Information on cyber threats, abuse of social media, illegal entry and activities of foreigners, social and economic threats are critical to the intelligence mandate.

The Committee observes that, despite the huge obligation to collect information on all threats, ISO has been provided Ushs. 31.71 bn against the required Ushs. 101.0 bn resulting into a funding gap of Ushs. 69.3 bn.

The Committee recommends that Government considers provision of additional Ushs. 20.0 bn annually for the medium term to enable ISO enhance facilitation to Internal Intelligence collection.

Technical Equipment for ISO

Internal Security Organization plans to procure technical equipment including the Cyber equipment to counter the Cyber threats especially financial institution and many others implementing e – transactions. The critical threat of Cyber is penetration of State infrastructure/Systems such as of financial systems, Revenue Agencies, Power stations and systems, Transport systems, and abuse of social media among others.

The Committee was informed that, ISO has undertaken efforts to establish basic infrastructure to address the Cyber threat, but there is urgent and great need to enhance the existing efforts by acquiring specialized technical equipment costing Ushs. 53.52 bn and only Ushs. 3.43 bn is provided leading to a funding gap of Ushs. 50.09 bn.

The Committee recommends that Government provides the Ushs. 50.09 bn be identified and provided to Vote 159 spread into the medium term to enable ISO procure the much-needed technical equipment to counter the threats.

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7.[illegible] VOTE 159 - EXTERNAL SECURITY ORGANIZATION (ESO)

Foreign Intelligence Collection

The Committee was informed that ESO has enhanced its foreign deployments to 36 stations out of which 29 are in Uganda's missions against the 35 Uganda's Foreign Missions while the 7 are in strategic areas of interest.
The Committee was further informed that ESO relies on the Military Attachees in the other Diplomatic Missions where Uganda is represented to collect foreign intelligence.

To effectively monitor and counter emerging external security threats, ESO plans to open and maintain foreign diplomatic missions, foreign strategic areas of interest and field stations including deployment and maintenance of Officers and this requires Ushs. 40.63 bn but only Ushs. 29.727 bn is indicative budget allocation resulting into a funding gap of Ushs. 10.96 bn.

The Committee observes that the option of ESO relying on intelligence information collected by the Military Attachees is likely to constrain the organization from processing timely external intelligence about the security and economic interests of Uganda since the Military Attachee may not be fit for the purpose for which ESO operations envisage.

The Committee further observes that the current security in the Ring States and the Rest of the World including Democratic Republic of Congo, Ethiopia, Somalia, Egypt and the Middle East among others necessitates enhanced deployments of Officers, auxiliary Staff and technical solutions as well.

The Committee strongly recommends that the funding gap of Ushs. 10.96bn be provided to enable ESO open and maintain Foreign Diplomatic Stations, Foreign Strategic Areas of interest and Field Stations.

Retooling of External Security Organization

The Committee was informed that ESO plans to enhance its technical capability through acquisition of modern technical and transport equipment as well as classified assorted assets.

The Committee established that, retooling ESO requires Ushs. 7.068 bn but only Ushs3.639 bn is provided within the MTEF ceiling of Vote 159 resulting into a funding gap of Ushs. 3.429.

The Committee observes that, the identified funding gap of retooling of ESO constrains the Organization ability to enhance technical capability in form of acquisition of modern technical and transport equipment as well as classified assorted assets.

The Committee recommends that the funding gap of Ushs. 3.429 bn be provided to enable ESO acquire the modern technical and transport equipment as well as classified assorted assets.

Budget Enhancement to Administration and Finance

The Committee was informed the need to improve the welfare of staff in form of payment of salaries, pension, medical care, feeding snd transport among others. The Committee identified that ESO requires Ushs 30.038 bn to undertake these interventions but only Ushs. 19.0 bn is provided in the MTEF ceiling resulting into a funding gap of Ushs. 11.0 bn.

The Committee recommends that the funding gap of Ushs. 11.0 bn be provided to enable ESO effectively execute its mandate.

7.26.7 VOTE 023 – MINISTRY OF KCCA & METROPOLITAN AFFAIRS

Policy, Planning and Budgeting Services

The Ministry of Kampala Capital City and Metropolitan Affairs plans to coordinate the implementation of the Greater Kampala Metropolitan Economic Strategy, strengthen expenditure tracking, inspection and accountability on green growth and offer policy guidance to KCCA as well as the Greater Kampala Metropolitan area.

To undertake these critical interventions, the Ministry of Kampala Capital City and Metropolitan Affairs requires Ushs. 43.6 bn but only Ushs. 3.52 bn is indicative allocation with the MTEF ceiling resulting into a funding gap of Ushs. 40.08 bn.

The Committee is cognizant of the fact that Kampala Capital City is the face of Uganda and therefore finds it prudent to empower the Ministry charged with policy guidance with sufficient resources to facilitate its mandate.

The Committee recommends that Government enhances the budget allocation in the medium term and have Ushs. 10.0bn provided to the Ministry of Kampala Capital City and Metropolitan Affairs, to facilitate implementation of activities that result into a befitting City.

7.26.8 VOTE 122 – KAMPALA CAPITAL CITY AUTHORITY (KCCA)

Short fall in MTEF allocation for KCCA Political Leaders Remuneration for FY 2022/23

The Committee was informed that, the Electoral reforms implemented in Uganda; Kampala Electoral Area inclusive led to additional numbers of elective positions in Kampala from 258 to 464. This translated into an increase of 206 Members comprising of 21 Councilors at the Authority Level and 185 at the Division Urban Level effective May 2021 and into FY 2021/22.

The Committee was further informed that, the Authority requires Ushs. 35.82 bn as remuneration for City Elected Leaders but only Ushs. 18.72 bn is provided in the MTEF ceiling of Vote 122 resulting into a funding gap of Ushs. 17.1 bn.
The Committee observes that, allocations for Political Leaders remuneration are critical to their welfare and eventual discharge of the duties.

The Committee recommends that, Ushs. 17.1 bn be provided to enable KCCA facilitate the Political Leaders with the required remuneration in the FY 2022/23.

Implementation of the Presidential Directive on City Markets
The Committee was informed that, on 25th September 2020, H.E. the President of the Republic of Uganda Gen. Yoweri Kaguta Museveni directed the immediate disbandment of Association Leaders from all Government markets and abattoirs in Kampala, to pave way for the election of new vendor's or trader's leaders by users of the facilities under the supervision of the Minister for Kampala Capital City and Metropolitan Affairs.

This was believed to have followed a vast outcry by market vendors and those operating in Abattoirs in Kampala to the effect that; they are being charged multiple fees/taxation leading to loss of profit, being charged inflated rates for utilities and that the Associations have manipulated vendors and hijacked management of the markets which were handed over to all vendors to own and operate.

The Committee was informed that, whereas, the Ministry of Kampala Capital City and Metropolitan Affairs working with KCCA has continued to implement the Presidential Directive, KCCA requires an allocation of Ushs. 50.0 bn in FY 2022/23 towards initial costs required for Markets acquisition (Compensations) and costs required for Markets for redevelopment. Kisekka, Nakasero, St. Balikuddembe, Bwaise and Bugolobi markets have been identified for acquisition while Kitintale, Kamwokya, Namuwongo I and II, Kiswa, Nakawa, Kinawataka, Bukoto, Usafi, Luzira and Nateete markets require urgent redevelopment.

The Committee recommends that Government provides Ushs. 50.0bn to KCCA to enable them implement the Presidential Directive.

Solid waste management
The Committee was informed that KCCA has planned to enhance solid waste management in the City, decommission of Kiteezi landfill and commence on the operationalizing of the Dundu landfill. In line with SDG 13 and NDP III, the Committee noted that proper solid waste management in the City is the only way to reduce environmental degradation and the adverse effects of climate

change as well as improving utilization of natural resources for sustainable economic growth.

Currently, waste collected in Kampala City and from some areas within the GKMA, is transported and disposed at Kiteezi landfill, the only authorized waste disposal site in Kampala. The landfill was constructed in 1995 covering about 12 ha. Data from Kiteezi landfill indicates that the actual waste transported to the site is approximately 1,300 tons/day. Whereas KCCA has over the year acquired more land to expand the facility, the landfill has exceeded its maximum capacity and is now characterized with steep and unstable garbage slopes, lacks a liner, poorly managed drainage channels and releases landfill gas from the dysfunctional leachate plant. The conditions at the landfill are dire and need urgent attention.

KCCA is seeking support towards securing an annual MTEFF allocation of UGX 60 Billion for the next five years, to facilitate costs related to decommissioning of Kiteezi landfill, establishment of a Transfer centre at Kiteezi and investments and costs for operationalizing of the Dundu.

Investment interventions in the new landfill development at Dundu will involve purchase of 10 garbage trucks (16ton cap.) for carrying garbage from the Transfer station to the new landfill (Ushs. 10.0 bn), Site preparation, preparation and construction of an engineered sanitary landfill and an accompanying leachate treatment (Reverse Osmosis) at Ddundu (Ushs. 15.0 bn), RAP and access road opening for Ddundu landfill (Ushs. 22.0 bn) while decommissioning the existing landfill at Kitezi will involve rehabilitation of existing leachate treatment plant at Kiteezi Landfill (Ushs. 11.0 bn) and stabilization of slopes at Kiteezi Landfill (Ushs. 2.0 bn).

The Committee therefore recommends that Ushs 10.0bn provided to enable KCCA to deliver on its mandate.

Road Infrastructure Development and Maintenance

The Condition of Kampala Capital City's road infrastructure is critical in achieving the Uganda National Vision 2040, the NDP III outcomes and the Kampala City Vision as a vibrant attractive and sustainable city'. KCCA receives funds from the Government of Uganda to construct and maintain the Road network in the City. Kampala Capital City has a total of **2,110Kms** of which, to date, **640 Kms** (30%) are paved and **1,470 Kms** (70%) are unpaved. The Committee was informed that, 21% of the network is reported to be in good condition, with 43% fair, and 36% poor.

The Committee observes that, the poor state of roads characterized by potholes and clogged drains results into discomfort for motorists, increased travel time, breakdown of vehicles and motorcycles and accidents. The Committee noted that, the poor state of roads is mostly caused by the old City roads that have outlived their design life, delayed maintenance of defects that occur, increased population of vehicles, encroachment of wetlands and unplanned construction leaving no space for storm water.

The Committee established that, KCCA requires Ushs. 56.35 bn to undertake road infrastructure development and maintenance but only Ushs. 26.35 bn is provided in the MTEF ceiling of Vote 122 resulting into a funding gap of Ushs. 30.0 bn.

The Committee recommends that, the road rehabilitation and maintenance budget be increased based on the road maintenance requirements of the City. The Committee further recommends that additional annual provision of Ushs. 30.0 bn in the medium term be availed to enable KCCA cope with the current roads maintenance demands and deal with the problem of rampant potholes on the City roads network.

7.26.9 VOTE 003 – OFFICE OF THE PRIME MINISTER

Commitment to Affirmative Action Programs

The Committee has reflected on the definition of Affirmative Action as a policy favouring individuals belonging to groups known to have been discriminated against previously or underprivileged. It is therefore a deliberate active effort to improve on the livelihood and welfare of persons living in areas that were unprivileged for various reasons.

The Committee has scrutinized the Budget Framework Paper for the FY 2022/23 to the medium term and finds that allocations to the Affirmative Action Programs are indicated to experience a funding gap of Ushs. 32.0 bn.

For instance, interventions geared towards improving the livelihoods of people of Northern Uganda have a funding gap of Ushs. 10.0 bn making it difficult to restore the welfare of the Citizens.

Busoga Affairs interventions have a funding gap of Ushs. 5.0 bn. Teso Affairs interventions have a funding gap of Ushs. 5.0bn and therefore kick starting the implementation of the Teso Development Plan is far from reality. Bunyoro Affairs interventions have a funding gap of Ushs. 5.0 bn that constrains the implementation of Bunyoro Integrated Affirmative Development Plan while Luwero – Rwenzori and Karamoja Affairs have funding gaps of Ushs. 5.0 bn and Ushs. 2.5 bn respectively.

The Committee therefore calls upon Government to consider enhancement of allocations to Affirmative Action Programs to enable OPM expedite envisaged improvement in the livelihood and welfare of the identified areas. The Committee recommends that Ushs. 32.0 bn be

provided to Vote 003 to facilitate interventions in Affirmative Action Programs.

Budget enhancement for Strengthening Government Wide Coordination, Monitoring and Evaluation

The Committee was informed of the need to develop robust M&E and Coordination Frameworks for MDAs and LGs for performance assessment and strengthening the Prime Minister's Delivery Unit (PMDU) for real time tracking and monitoring of both the Central and Local Governments to make Government more effective and get results for better service delivery.

It is the Committee finding that establishment of Secretariats for NDP III Program Management that also include indicator profiling and target setting, results framworks development and training of related staff in the programmes and Local Governments on Monitoring and Evaluation; (Ushs. 5.0 bn), enhancing coordination mechanism of realtime tracking and monitoring of both Central and Local Governments (Ushs. 5.0 bn); support the development and implementation of a Web-based monitoring and evaluation Management Information system for supporting reporting in partnership with the National Planning Authority (Ushs. 2.0 bn) amd monitoring of the Parish Development Model (PDM) where OPM is specifically required to develop and implement M&E activities that enable performance information of the parishes to feed into the Prime Minister's reporting system (Ushs. 3.0 bn) are critical unfunded priorities.

The Committee therefore recommends that Ushs 15.0 bn be identified and enhance the budget allocation to Vote 003.

Strengthening capacity of OPM

The Committee was informed that the key cost drivers to strengthening the capacity of OPM are additional wage to address staffing gaps (Ushs. 2.0 bn) in the directorates of Monitoring and Evaluation, Strategic Coordination and Implementation; Relief, Disaster Preparedness and Refugee Management and Affirmative Action Programs) which affect effective service delivery; replacement of the ageing fleet for both Political Leaders and Technical Officers (Ushs. 5.0 bn); and replacement of obsolete and provision of new Office Equipment (Ushs. 3.0 bn)

The Committee therefore recommends that Ushs 10.0 bn be identified and enhance the budget allocation to Vote 003.

Resettlement of the landless persons in Bugisu sub-region

The Committee was informed that following the Bududa disaster of 11th October 2018, Cabinet approved a phased resettlement plan of 10,000 people. This resulted into a Cabinet Directive of 15th November 2018 under Cabinet

Memorandum CT (2018) 186 on the 10 Year Resettlement of Landslide Victims and those still at risk.
The project is expected to resettle unto 100,000 people for a period of 10 years and effective FY 2020/21, Ushs 7.5bn has been provided where 1,744 people have so far been resettled against the annual target of 10,000 people as approved by Cabinet.
The Committee was informed that, budgetary constraints have affected full scale implementation of the resettlement project. THE Committee established that, to effectively operationalize the Cabinet directive OPM requires an additional Ushs. 7.5bn (Construction of 140 housing units =Ushs 5.8 bn, other resettlement activities =Ushs 1.7 bn).
The Committee was also informed that an addition of Ushs. 7.5 bn together with the Ushs. 7.5 bn already in the budget making a total of Ushs. 15.0 bn will enable the construction of 280 housing units hence resettling 1,960 people in a year.

The Committee therefore recommends that Ushs 7.50 bn be identified and be provided to OPM to expedite the said resettlement project.

7.27 COMMITTEE ON FOREIGN AFFAIRS

Reduction in Budgetary Allocations in the Medium Term
The Committee was informed by Ministry of Foreign Affairs that Ministry of Finance, Planning and Economic Development in the First Budget Call Circular issued on 15th September, 2021 advised all Accounting Officers of Ministries, Departments and Agencies of budget cuts instituted on Travels Abroad, Workshops and Seminar in a bid to raise Shs.203.4bn and One-off Expenditures removed from the Budget to raise Shs.370.3bn. To this end, Ministry of Foreign Affairs was advised that Shs.4,554,262,606 would be cut from its FY 2022/23 budget and Shs.11,642,100,611 from Uganda's Missions Abroad for the FY 2022/23 budget.

The Committee observes that:

(a) MoFA Headquarters' projected budgetary allocations were to significantly reduce by Shs.4.543bn with nonwage as the only expenditure component affected. The Committee was of the view that the decision by Government to allocate less funds to the nonwage component in the medium term as compared to the previous financial year could have been premised on the need for Government to scale down on consumptive and wasteful expenditure;

(b) budgetary cuts especially on Travel Abroad, Workshops and Seminars would eventually render the Ministry's mandate null and void as it would not be in position to host and-or travel to participate in statutory events such as joint permanent commissions in regional and international peace and security initiatives/engagements. Uganda's Missions Abroad would as well be disadvantaged in effectively executing mandates in their respective areas of jurisdiction. There are high possibilities and risks of Uganda losing out or having its interests compromised at such events in case of inability to participate on account of budgetary reductions in the non-wage component. Relatedly, budgetary cuts on travel abroad item may result in Uganda losing out on mutual support from host states particularly at the time of seeking approval and-or endorsement country positions on issues of topical interest; and

(c) Government of Uganda's move to promote economic and commercial diplomacy would be greatly disadvantaged once significant budgetary reductions are effected on MoFA's and Missions Abroad nonwage components. MoFA Headquarters and Missions Abroad would not be in position to facilitate sustenance of dedicated professional expertise that would brand and promote Uganda's national image abroad as a desired trade, investment and tourism destination.

The Committee recommends that:

(a) for the FY 2022/23, Ministry of Finance, Planning and Economic Development should allocate Shs.46.37bn as nonwage component to Ministry of Foreign Affairs as was the case in the FY 2020/21 so as to enable facilitation execution of Uganda foreign policy objectives; and

(b) Ministry of Finance, Planning and Economic Development should review the 15th September, 2021 First Budget Call Circular so as to have Ministry of Foreign Affairs Headquarters and Uganda's Missions Abroad allocated Shs.4,554,262,606 and Shs.11,642,100,611 respectively for effective international engagements, representation and enhanced service delivery.

Budget Preparation and Execution

The Committee observes that Section 45(5) of the Public Finance Management Act, 2015 which states that **'An Accounting Officer shall be responsible and personally accountable to Parliament for the activities of a Vote'**, has not been fully complied with by Accounting Officers of Uganda's Missions Abroad especially in regards to budget preparation and management. There is generally poor and inadequate interaction between Parliament and Accounting Officers of Missions Abroad in respect of the budget process as prescribed by the Section 45(5) of the Public Finance Management Act, 2015. This is further exacerbated by the inadequate funds to facilitate operations of Missions Abroad particularly budget lines in respect of travels to engage with home government oversight institutions.

The late submission of vote performance reports from Accounting Officers of Uganda's Missions in New Delhi, Beijing, Copenhagen and Doha was suggestive of weak linkages between Parliament and Uganda's Missions Abroad. The Committee did not have a face to face interaction with all Accounting Officers of Uganda's Missions Abroad to consider the Budget Framework Paper for FYs 2022/23 – 2026/27.

The Committee therefore recommends that in fulfilment of Section 45(5) of the Public Finance Management Act, 2015, Ministry of Foreign Affairs as the lead agency and overall supervisor of Uganda's Missions Abroad should prevail over Accounting Officers of those Missions to ensure adherence to timelines as prescribed in the Public Finance Management Act, 2015.

The Committee further recommends that Ministry of Finance, Planning and Economic Development should allocate specific budget lines to Uganda's Missions Abroad to facilitate engagements of Accounting Officers with parliamentary committees in all aspects to do with the budget process and accountability.

Classification of MoFA Headquarters and Missions Abroad as Consumptive Government Institutions

The Committee observes with concern that both Ministry of Finance, Planning and Economic Development, and the National Planning Authority have continued to perceive and classify MoFA and Uganda's Missions Abroad as consumptive government institutions with no attendant accrual tangible benefits. The Committee was of the opinion that this perception could have informed the issuance of the 15th September, 2021 First Budget Call Circular in which there was a 100% budget cut in respect of Travel Abroad, Workshops and Seminars for MoFA Headquarters and Uganda's Missions Abroad.

Summary Schedule of Key Unfunded Priorities For FY2022/23

Vote	Vote Name	Item description	Funding required [UGX. Bn]	MTEF Provision [UGX. Bn]	Justification
006	Ministry of Foreign Affairs	Travel Abroad, Workshops & Seminars	4.5	0	MoFA is bound to fail in its mandate of promoting and protecting Uganda's interests abroad and undertake supportive programs to implement and manage Uganda's

Vote	Vote Name	Item description	Funding required [UGX. Bn]	MTEF Provision [UGX. Bn]	Justification
					Foreign Policy
501-536	Missions Abroad	Travel Abroad, Workshops & Seminars	11.6	0	Missions Abroad are bound to fail to execute their mandates in respective areas of jurisdiction.
006	Ministry of Foreign Affairs	Annual subscriptions to Int. Organs	20	0	To enable Uganda participate in scheduled events of international organizations.
006	Ministry of Foreign Affairs	Hosting the 9 Joint Permanent Commission	2.7	0	To enable Uganda host and participate in the event.
006	Ministry of Foreign Affairs	Hosting the Chairmanship of Non Aligned Mov't (NAM)	3.5	0	To enable Uganda host and participate in the event.
006	Ministry of Foreign Affairs	Costs associated with provision of courtesies of envoy	0.7	0	To provide the necessary courtesies to the Envoy.
006	Ministry of Foreign Affairs	Provision of 4 executive vehicles	2.6	0	To provide the required protocol and diplomatic services to dignitaries attending the event.
006	Ministry of Foreign Affairs	Accommodation luncheons and gifts	0.7	0	To provide for hospitality to foreign dignitaries attending the event.
006	Ministry of Foreign Affairs	Opening of the Missions in Havana-Cuba	3.0	0	To promote diplomatic relations with the Government of the Republic of Cuba
502	Mission in London	Consultancy for designs and BoQs for renovation of three properties in London	2.8	0	To procure credible consultancy services for design and renovation of the three properties in London, United Kingdom.
510	Mission in Washington DC	Consultancy for the assessment, designs and BoQs for the renovation of three properties	2.5	0	To procure credible consultancy services for design and renovation of the three properties in Washington DC, USA.

Vote	Vote Name	Item Description	Funding required [UGX. Bn]	MTEF Provision [UGX. Bn]	Justification
		in Washington DC			
519	Mission in Rome	Acquisition of a Chancery in Rome	8	0	To acquire the Chancery in Rome, Italy
006	Ministry of Foreign Affairs	Hosting of G77 summit	20	0	To effectively host the G77 Summit upon confirmation of dates by the Secretariat.
006	Ministry of Foreign Affairs	Opening a Mission in South Korea	4	0	To promote diplomatic relations with the Government of the Republic of Korea.
505	Mission in Nairobi	Facilitation of the Mission in Nairobi to deal with victims of human trafficking	1.5		To facilitate Uganda's Mission in Nairobi to meet requires expenses for victims of human trafficking intercepted in Nairobi, Kenya.
502 and 510	Ministry of Foreign Affairs	Renovation of Mission properties abroad [London and Washington]	15	0	To renovate the three properties in London, United Kingdom.
531	Mission in Ankarah	Acquisition of land for the Official residence in Ankarah	0.875	0	To acquire land for construction of the Official Residence of the Ambassador in Ankarah
534	Consulate in Mombasa	Design and BOQ for construction of Chancery in Mombasa	1.5		To procure credible consultancy services for construction of the Chancery in Mombasa, Kenya.
526	Mission in Canberra	Acquisition of a Chancery building, Canberra, Australia [Shs.3bn to be committed to the acquisition during this FY 2021/22]	7.625	0	To acquire the Chancery Building in Canberra, Australia, after the owner made an offer the Mission in Canberra to purchase it.

7.28 COMMITTEE ON DEFENCE AND INTERNAL AFFAIRS

7.28.1 VOTE 009: Ministry of Internal Affairs and agencies

Budget Cuts in the proposals

The Committee noted reductions in the proposed budgets for all the agencies under the Ministry of Internal Affairs for the FY 2022/23 from the current levels of the FY 2021/22. This will constrain the capacities of the institutions to deliver on their mandate.

In line with the National strategy of ensuring peace and stability through enhanced security, the Committee recommends the reinstatement of the agencies budget to enable them maintain security.

The Committee therefore recommends under the ministry of internal affairs headquarters that the minister be provided with an additional UGX 9BN, for national security council coordination of Joint Anti-terrorism, Joint intelligence committee and joint operations committee.

The committee further recommends that UGX 2.86Bn be availed to the Ministry to strengthen the management of community services in a bid to decongest prisons.

Construct Central Storage Facility

The committee established that the Ministry planned to construct a central storage facility for magazines and regulation of the use of commercial explosives as these are a danger if not well managed. Accordingly, it has procured land however lacks funds amounting to UGX 10.3Bn for the construction of central magazines. This given the terrorist threats to the country there is need to enhance security for vital installations through security assessments and alert inspections.

The committee therefore recommends the provision of UGX 10.39Bn to the Ministry for the construction of a central storage facility or bunkers. The committee recommends that the supplementary funding provided in the current FY 2021/22 to the Ministry be maintained for better security management in view of the terror attacks.

7.28.2 VOTE 120: Directorate of Citizenship and Immigration control

Citizenship and Immigration control

The Committee learnt that there are currently three different software systems used by the directorate of National Citizenship and immigration control for the management, processing and recording of immigration information at the border points. The three software systems are independent of each other which compromises the security of the country as persons can easily enter and leave the country at different border points without being detected.

The directorate is implementing the migration from machine read passport to the East Africa e-passport, however this requires the procurement of blank passport books that has a budgetary requirement of UGX 60Bn of which only UGX 32.285Bn is provided leaving a shortfall of UGX 28.24Bn

The Committee recommends the provision of the budget shortfall for the procurement of blank e-passport booklets amounting to UGX 28.24Bn. Government should quickly harness the different software systems to able their networking at all the border points. In the long-term government should develop a system customized for our own security.

7.28.3 VOTE 144: UGANDA POLICE FORCE

Domestic Arrears

The Committee established that Uganda Police has an outstanding arrears that they contracted in the course of execution of their mandate; amounting to UGX 77Bn.

The committee recommends that those arrears obligations of UGX 77Bn owed by Uganda Police be paid to avoid the institution being taken to court.

Provision of Staff Accommodation

The Committee noted the dire and appalling staff accommodation of the Police officers. The current staff houses in the barracks were constructed by colonial administration and they have not been maintained to date. The state of the sewerage system in most barrack s is equally bad with open running or flow of human waste; this is a health hazard to the lives of the officers and the communities.

The Committee recommends the provision of UGX 20Bn to Uganda Police for rehabilitation and maintenance of staff houses and sewerage systems.

New staff Houses

The Committee takes cognizance of the plans by the Uganda Police to construct new staff houses to afford the officers decent accommodation.

The Uganda Police is undertaking construction of staff houses at Naguru Police barracks; the overall plan is to generate a stock of 43,000 houses for which Police requires UGX 1,591 Bn of these only UGX 43Bn is provided leaving a funding gap of UGX 1,547.65Bn.

The Committee recommends that Government seriously consider provisions for construction of staff accommodation through a multiyear

commitment to solve the problem once for all. The Uganda Police be provided additional UGX 44.6bn.

Construction of New Police Station

Uganda Police plans to construct new police stations across the country and requires UGX 73.9Bn available is UGX 20.97Bn leaving a deficit of UGX 52.9Bn. Many police stations across the country are in rented properties which some time compromises with security of police officers and the community. Failure to provide police stations at the sub county level will affect the implementation and objectives of the parish development model.

The Committee recommends the provision of UGX 52.9Bn for construction of Police stations across the country in deserving areas.

Investigation and crime intelligence management

The committee was dismayed at the provisions to Uganda Police for investigations of cases and detection of crime in the country. This has often delayed the dispensation of justices leading to case back logs hence affecting the budget of Prisons as many accused persons remain on remand.
The proposed budget for investigation is UGX 84Bn and only UGX 42Bn has been provided while crime intelligence UGX 18.9Bn is required and only UGX 10 Bn is available,

The committee recommends that for the judicial system to function well these two activities needs to be well handled and this requires funding.

Therefore, UGX 41Bn be availed for investigations and UGX 8bn for crime intelligence.

Standard Policing Kit

The committee during its oversight visits and investigation of the Masaka killings noted that most police officers in operations lacked a number of supporting facilities ranging from communication gargets specifically radio communication as opposed to individual mobile phones', uniforms and gumboots, warm clothing overalls, torches, feeding in operations and fuel to enable them respond in time to emergencies.

In the proposed budget communication has a requirement of UGX 70Bn only UGX 5Bn has been provided leaving a funding gap of UGX 65Bn. While feeding in operation has a requirement of UGX91Bn only UGX 53Bn has been provided leaving a funding gap of UGX 38Bn.

The committee finds these two very critical in the policing work and prays that funds are found to secure the safety of Ugandans and their properties. With an extra additional resource of UGX 65Bn for communication and UGX 38bn to feed our officers in operations.

The committee further takes exceptions for the offices who ask for fuel from the public to facilitate their work.

The committee noted the budget shortfall on fuel being UGX 159Bn. The committee recommends that additional UGX 56bn is provided in the FY2022/23 to cater for the shortfall on fuel.

Phase III CCTV PROJECT

The Committee was informed that the second phase of the CCTV camera was completed but there is need to embark on the third phase which will expand on the network especially on the highways, blind spots and more urban centers. The phase implementation has a budget requirement of UGX 187BN, however this has not been provided.

The committee recommends that Government provides additional UGX 50bn for the expansion of the CCTV project under phase III.

Operation and Maintenance

UPF has a total fleet of 10,245 assorted transport equipment. And requires 10litres of fuel per day per vehicle at shs.5,500, translating into UGX 205.66Bn annually, repair and maintenance requires 39Bn. Air craft maintenance requires 56bn and regional vehicle maintenance centers requires 3bn in total the force requires UGX 302Bn.

The committee finds this request necessary and should be provided for proper policing.

7.28.4 VOTE 145: Uganda Prisons Service

Human Rights Concern

The Committee noted that the Human Rights Commission has highlighted the lack of observance of basic human rights by provision of basic personal necessities including washing soap, sanitary towels, toilet tissues detergents for cleaning, female undergarment shavers and other personal hygiene materials UGX 12.3Bn is required but UGX 2.1Bn is provided leaving a shortfall of UGX 10.Bn. Uganda is a signatory to the Human Rights Conventions and expected to put into practice the observance of human rights to the prisoners.

The committee strongly recommends the provision of UGX 10.1Bn to afford the inmates basic provisions.

Outstanding Domestic Arrears

The Committee found that Uganda Prisons owe its suppliers a sum of UGX 62.3Bn in domestic arrears.

The committee recommends the provision of UGX 62.3Bn for the domestic arrears that Uganda Prisons owe its suppliers to avoid litigation.

Feeding of prisoners

The current prisoner's population stood at 67,000, the institution to feed and maintain the current numbers requires 118.849bn but provided is UGX90.414bn leaving a shortfall of 28.435bn for feeding the prisoners.

The committee further recommends that UGX 28.4bnBn be provided to the vote to avoid accumulation of domestic arrears

Provision of Staff Accommodation

The Committee noted the inadequate staff accommodation facilities for the officers as the current stock of staff houses were constructed by colonial administration. Uganda prisons is undertaking construction of low-cost staff houses across the country and requires UGX 44Bn, provided is UGX 5Bn leaving a funding gap of UGX 39Bn.

The Committee recommends that Government seriously consider provisions of UGX 39Bn for construction of staff accommodation through a multiyear commitment in a phased manner to solve the problem.

Congestion in Prisons

The Committee noted overcrowding in prisons, holding up to eight times to their capacity this affects inmates' health due to accommodation challenges. The budget requirement annually is UGX 52.3bn, however this has remained unfunded priority hence the continued congestions.

The Committee recommends UGX 20bn for construction of more prisons in the FY2022/23.

Production of prisoners to courts

The committee noted that Prisons many times fail to produce prisoners in courts of law due to lack of fuel, vehicle breakdown and court escorts. The requirement is UGX 17.509BN provided is 6.6bn leaving a funding gap of UGX 10.98BN.

The committee recommends the provision of UGX 10.98Bn for fuel, and motor vehicle maintenance.

7.23.5VOTE 133: DIRECTORATE OF GOVERNMENT ANALYTICAL LABORATORY

Wage provision

The Committee noted the inadequacies in staffing levels at the Directorate of Government Analytical Laboratory at the headquarters there only a skeleton staff while at the regional office there are no staff hence the regional offices are barely nonfunctional. This affects the timely disposal of cases by courts of law for lack of evidence to be adduced in courts. The directorate requires UGX 5.7bn to recruit staff and enhance the salaries of forensic scientists.

The committee noted that Parliament provided funds for the recruitment of staff in the FY 2021/22. The process is ongoing and expected to be completed in the third quarter.

The Committee accordingly recommends the provision of additional budget resources towards its wage bill of UGX 5.7Bn to enable it recruit the necessary staff so as to operationalize the regional offices.

Provision of Reagents

The committee noted that for the last three FYs, the vote has been provided with UGX 2bn against a requirement of UGX 14.4Bn annually. This has substantially affected the delivery of scientific evidences as required in the courts, police and DPP. They can hardly process the necessary evidence as referred to them thus leading to case backlogs

The committee recommends the provision of UGX 12.4bn to facilitate the laboratory to carry forensic examinations

DNA Bank

The committee was informed that all the preliminary requirements for the construction of the DNA bank had been met and the deed plans are ready. Further it was noted that in the mass renewal of the national identity cards the DGAL will play a significant role in the capture of person's DNA details and therefore the need for this bank. The budgetary requirement is UGX 25Bn but they have UGX 6Bn leavening a shortfall of UGX 19bn.

The committee recommends that UGX 19Bn be availed for this important national facility.

AGE Analysis equipment

The committee established that there is an increased demand for age analysis/determination by the DGAL from the population. This requires a modern scientific equipment to address the increased demand for age determination cases. The requirement is UGX 2bn

The Committee accordingly recommends the provision of UGX 2Bn for the procurement of this equipment.

7.28.6VOTE 139: NATIONAL IDENTIFICATION AND REGISTRATION AUTHORITY

Staff Recruitment

The National Identification and Registration Authority is a very central organization in the management and ensuring not only nationals identity but also guaranteeing the national security. The institution has been in existence for a decade albeit with many challenges including; low inadequate staffing at the headquarter and district levels, outdated equipment, lack of a secure home for posterity and now the expanded role of handling the registration of birth and death in the country.

The committee recommends the urgent recruitment of staff at both the headquarters and the district offices. This requires UGX 25.948Bn. Without these personnel NIRA cannot perform to the expectation of the citizens.
The committee recommends the provision of UGX 25.948bn for recruitment of staff

Provision of office Accommodation

The National Identification and Registration Authority headquarters is housed at Kololo ceremonial grounds. more often their operations are affected by the activities at the ceremonial grounds. Hence they need to acquire their own home. The requirement is **UGX 24.9Bn**

The Committee recommends UGX 3bn be provided for preparatory activities that would lead to the construction of NIRA offices.

7.28.7VOTE: 004 MINISTRY OF DEFENCE AND VETERAN AFFAIRS

Maintenance of combat services support equipment's

The committee noted that the Vote has acquired state of the art equipment over the years. These machines require regular servicing and maintenance. The maintenance entails warming the machines which is quite expensive and should be carried out routinely. This requires UGX 30.2Bn provided is UGX 6.3BN hence a funding gap of 23.9bn.

The committee recommends additional UGX 4bn be provided for maintenance of combat equipment in the FY2022/23.

3.0 CONCLUSION

Rt. Hon Speaker, in accordance with Section 9(8) of the PFM Act 2015 and Rule 145 of the Rules of Procedure of Parliament, the Committee recommends that, the proposed National Budget framework Paper of FY2022/23 - FY2026/27 be approved by Parliament with amendments as per the Committee's recommendations.

Rt. Hon Speaker and Members, **Annex 1** provides a summary of additional funding requirements to cater for critical Government programmes.

I beg to Report

ANNEX 1: SCHEDULE OF UNFUNDED PRIORITIES FY 2022/23

Item Description	Funding Gap
Item Description	
VOTE 014:MINISTRY OF HEALTH	
Enhancement of salaries for health workers across the board	
Expand community level health promotion and education	2.01
Functionalize theatres at Health Centre IV to equip them to provided blood transfusion services	4.00
Functionalize Regional Equipment Workshops	5.00
Fast-tracking the National Health Insurance Scheme Bill	0.07
Renovate and equip dilapidated hospitals and health centres on a case by case basis	70.00
National Ambulance System Service	73.00
VOTE 114: UGANDA CANCER INSTITUTE	
2HDR Machines	
Acquisition of Cyclotron	22.50
2 LINAC	
VOTE 115: UGANDA CANCER INSTITUTE	
Completion of Ward 1C	1.20
Replacement of catheterization laboratory	2.00
VOTE 116:NATIONAL MEDICAL STORES	
Additional for funding Essential medicines and health supplies	70.32
VOTE 134: HEALTH SERVICE COMMISSION	
Procurement of vehicles	0.62
VOTE 151: UGANDA BLOOD TRANSFUSION SERVICES	
Blood collection and delivery vehicles	1.87
VOTE 401:MULAGO HOSPITAL COMPLEX	
Specialized medicines	20.00
Medical equipment and furniture	9.20
Remodeling and refurbishment of Upper Mulago	21.00
Servicing and maintenance of equipment	2.00
Cleaning and sanitation	1.60
Patient meals	1.00
Staff houses	16.00
Gratuity	5.40
Specialized medical training	1.00
electricity	1.00

Item Description	Funding Gap
pension	2.67
VOTE 402: BUTABIKA NATIONAL REFERRAL HOSPITAL	
Special meals and drinks	1.00
Maintenance of machinery and equipment	0.50
Uniforms and beddings	1.50
VOTES 403 -422: REGIONAL REFERRAL HOSPITAL	
Procure 68 Vehicles for Senior Consultants.	21.76
Additional funding of Maintenance of Equipment	2.70
Remodelling of CT Scans infrastructure in all RRHs	4.00
construction of ICU infrastructure in 5 RRHs	10.00
Other Diagnostic Equipment needs at RRHs, GHs & HC IVs	84.30
COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS	
VOTE 007 MINISTRY OF JUSTICE AND CONSTITUTIONAL AFFAIRS	
Court Awards and arrears	216.35
New Ministry Structure	1.90
Payment of livestock compensation	150.00
VOTE 101: JUDICIARY	
Construction of Court Buildings	23.71
Renovation of Court Buildings	1.00
Retirement Benefits	5.35
Medical Expenses	5.25
VOTE 103 : INSPECTORATE OF GOVERNMENT	
Construction of IG Head Office Building	20.60
Wage and Related wage expenses	3.10
Non-wage shortfall	3.24
VOTE 104 : PARLIAMENTARY COMMISSION	
Members and Staff welfare	226.64
Wage short fall for Members and staff	40.84
Vote 102: ELECTORAL COMMISSION	
Conducting elections for LCI and LCII administrative Units	54.53
Wage short fall	11.17
Operationalisation of offices in ten new cities and Terego district	7.26

Item Description	Funding Gap
National Consultative Forum	0.45
Outstanding Domestic Arrears	2.74
Transfers to political parties	45.00
VOTE 105:UGANDA LAW REFORM COMMISSION	
Printing of Revised Principal Laws of Uganda	5.00
Court Award to former Chairperson of Commission Prof. Agasha Mugasha	0.52
Translated and Published Laws	0.30
VOTE 106: UGANDA HUMAN RIGHTS COMMISSION	
Wage enhancement	11.75
Procurement of vehicles	2.29
Civic Education and Human Rights Awareness	16.04
VOTE 109: LAW DEVELOPMENT CENTRE	
Construction of Multi storied building	61.50
Provide Legal Aid Services	1.00
Publishing E-Reports	0.50
VOTE 119: UGANDA REGISRATION SERVICES BUREAU (URSB)	
Develop and upgrade its ICT system for all online systems	3.00
ICT Arrears	0.77
Development of decentralization of URSB services	2.00
Mass business registration	15.25
ISO certification	0.32
VOTE 133: OFFICE OF THE DIRECTOR OF PUBLIC PROSECTION	
Wage	19.90
Procurement of Vehicles	28.80
Computerization	3.65
VOTE 148: JUDICIAL SERVICE COMMISSION	
Additional Wage to handle the expanded mandate	0.51
Expenses for recruitment of Judicial and Non-Judicial Staff.	1.47
Operational expenses	0.76
COMMITTEE ON PHYSICAL INFRASTRUCTURE	
VOTE 016: MINISTRY OF WORKS AND TRANSPORT	
Automation of vehicle inspection services	30.00

Item Description	Funding Gap
Road Safety Interventions	32.60
Aircraft accident and incident investigation Unit and Civil Aviation Tribunal	3.00
Tarmacking of priority roads in Wakiso District, Phase I (55.6km)	190.00
Construction of bridges on the DUCAR network	30.00
Procurement of 15 road units for the newly created districts.	59.00
Refurbishment of old Chinese road equipment for redistribution to Municipal Councils	18.30
Maintenance of the Chinese equipment after refurbishment	6.30
Maintenance of Japanese equipment received in 2017	32.00
Acquisition of supervision pickup vehicles for the districts.	22.00
Rehabilitation and Retooling of the four Regional Mechanical Workshops (Bugembe, Mbarara, Gulu and Kampala).	60.00
Purchase of pickup	0.35
UGANDA RAILWAYS CORPORATION	
Operational costs of URC	2.00
CIVIL AVIATION AUTHORITY	
Requirements for works at Entebbe International Airport	203.20
Unified security system at the Airport	108.00
NATIONAL BUILDING REVIEW BOARD	
Additional funds for the National Building Review Board	10.70
VOTE 118: UGANDA ROAD FUND	
Road maintenance	260.00
VOTE 122: KAMPALA CAPITAL CITY AUTHORITY (KCCA)	
Construction and maintenance of roads in KCCA	67.37
Kampala City Drainage Improvement	134.00
VOTE 012: MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT	
Ministry Zonal Offices (additional wage)	2.00
Ministry Zonal Offices (additional operation costs)	10.00
re-affirmation of the International Border between Uganda and South Sudan	4.80
land acquisition and compensation to cultural institutions properties and Ranchers	265.00
Development of Physical Development Plans	100.00
Construction of Low Cost Housing for Ugandans	350.00
Maintenance of the LIS	3.00
VOTE 122: KAMPALA CAPITAL CITY AUTHORITY	
Enhance KCCA Physical Planning capacities	4.20
COMMITTEE OF PRESIDENTIAL AFFAIRS	

Item Description	Funding Gap
VOTE 001: OFFICE OF THE PRESIDENT	
Additional funds required by STI to support Research and Development Project	8.00
Additional funds required to fully operationalize the specialized Committees of Uganda National Council for Science and Technology	
Funds required to enable construction of the Garment Hub and procurement of the requisite equipment	
Funds needed to facilitate the commercialization works	11.41
Funds required for the Sericulture Project to facilitate complete procurement of the machines and acquisition of land for the factory	18.15
Public Policy Executive Oversight Forum - Apex Platform	10.00
Monitoring the Mainstreaming Manifesto Commitments	1.85
implement the interventions envisaged in the Diagnostic Project	8.00
Sericulture Project to facilitate the commercialization works	11.41
Sericulture Project to facilitate complete procurement of the machines and acquisition of land for the factory	18.15
Funds required by Kira Motors to prepare for the establishment	
VOTE 002: STATE HOUSE	
Amount required by State House to facilitate the fulfilment of the Presidential Donations	30.00
Additional funding required to retool State House	27.02
Poverty Alleviation Initiatives (Model Villages)	14.20
VOTE 107: UGANDA AIDS COMMISSION	
Additional funding required to facilitate UAC in HIV advocacy work	4.50
VOTE 112: ETHICS AND INTEGRITY	
Funds to facilitate the Directorate of Ethics and Integrity execute its coordination mandate	1.15
Additional funds required by Directorate of Ethics and Integrity to disseminate the anti-corruption laws	2.85
VOTE 158: INTERNAL SECURITY ORGANIZATION	
Funds required by ISO to buy transport equipment during FY 2022/23	15.00
Additional funds to ISO to enable training of staff for effective and efficient delivery of their mandate	3.94
Amount required by ISO in the medium term to enable intelligence collection	20.00
Required funding for the procurement of the technical equipment to counter national threats	50.09
VOTE 159:EXTERTNAL SECURITY ORGANIZATION	

Item Description	Funding Gap
Additional funds needed to enable ESO carry out its mandate in all countries of security interest	10.90
Additional funds required for retooling of ESO	3.43
Funds required to improve the welfare of the ESO staff (salaries, pension, medical care, feeding and transport etc)	11.00
VOTE 023: KCCA & METROPOLITAN AFFAIRS	
Funds required by Ministry of Kampala Capital City Authority & Metropolitan Affairs to facilitate implementation of activities that result into a befitting City.	10.00
VOTE 122: KAMPALA CAPITY CITY AUTHORITY	
Funding required for the remuneration of the City Elected Leaders	17.10
Allocation required to implement the Presidential Directive on City Markets	50.00
Amount required by KCCA for the maintenance of the drainage infrastructure in the city	
Required by KCCA funding for solid waste management in the city	10.00
Amount required for digital transformation	
Additional funding required to enable KCCA to cope with the current roads maintenance demands	30.00
VOTE 023: OFFICE OF THE PRIME MINISTER	
Funds required to enhance support towards Affirmative Action Programs (Northern Uganda, Busoga, Bunyoro, Luwero-Rwenzori, Karamoja) to enable OPM expedite improvement in the livelihood and welfare of the identified areas.	32.00
Additional funds required for budget enhancement for strengthening Government Wide Coordination, Monitoring and Evaluation	15.00
Strengthening capacity of OPM with the required staffing, transport equipment and office retooling	10.00
Funds required to resettle the landless persons in Bugisu sub-region	7.50
mitigate threats of cyber insecurity, economic and financial surveillance and Oil & Gas related insecurity	10.00
facilitate the RDCs	2.50
facilitate the newly appointed Presidential advisors.	8.10
COMMITTEE ON TOURISM, TRADE & INDUSTRY	
VOTE 022: MINISTRY OF TOURISM WILDLIFE AND ANTIQUITIES	
1) Shortfalls in facilitation and subscriptions of Uganda to participate and foster her Tourism interests in UNWTO, EAC, Northern Corridor Cluster and4 Bilateral agreements and 1 international MICE tourism fair	0.70

Item Description	Funding Gap
2) 10 Cities supported to profile, develop and promote tourism and prepare tourism development plans and Conditional Grants arrangement operationalized	3.69
Mugaba Palace in Mbarara completed and opened as a cultural heritage tourism product	2.00
3. Complete the development of Kagulu Hills tourism site	3.60
4. Complete the development of Kitagata hot springs in Sheema Districtinto an internationally competitive eco adventure tourism park.	3.00
5. Mt. Rwenzori infrastructure developments (tourist rescue, resting and accommodation facilities, climbing ladders) completed	3.20
6. Construction works at Fort Portal Museum and Moroto Museum	2.00
7. Source of the Nile access infrastructure developed and landscaping of the core project area: Tow modern Piers completed at the Source of the Nile	4.00
8. Provide Skills through internship and apprenticeship programs as well as Specialized trainings in the Tourism sector including Trainings of museologists, museography, curatorship and heritage experts provided.	2.20
9. Operationalize the Tourism Development Programme coordination and Working Group framework	0.50
10. Maintain integrity of cultural or heritage sites and monuments: Land titling, development and maintenance for 50 cultural heritage sites. 13 Heritage Sites and Monuments of Patiko, Wedelai, Napak, Nyero, Kapir, Mukongoro, Dolwe, Barlonyo, Kakoro, Mugaba, Fort Thurston, komuge and Bigo Byamugenyi maintained. National and Regional Museums of Kabale, Soroti, and Moroto maintained and exhibits curated	1.55
11. Enforce standards and guidelines for the implementation of Wildlife Act 2019. Formulation of regulations (wildlife resource access, traditional use of wildlife specimens, wildlife based tourism, protected area regulations, pet ownership) and upgrade of electronic CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) permitting system	2.00
UGANDA WILDLIFE EDUCATION CENTER	
12. Shortfalls in feeding and maintenance of wildlife at UWEC	4.33
UGANDA HOTEL& TOURISM TRANING INSTITUTE	
13.Operationalize the new UHTTI Staffing Structure	3.00
UGANDA WILDLIFE RESEARCH TRAINING INSTITUTE	
14. Operationalize the new UWRTI Staffing Structure	1.50
UGANDA WILDLIFE AUTHORITY	
15. Construct infrastructure for rhino movement from Ziwa to Ajai Wildlife Reserve (2.5billion)	2.50

Item Description	Funding Gap
16. Shortfalls in sustaining the **deployment of Market Destination Representatives (MDRs)** and ensuring presence in 10 tourist source market including North America & Canada, Japan, China, Gulf States, UK & Ireland, German, Austria & Switzerland – **Ushs 11.66 bn**	11.66
UGANDA TOURIST BOARD	
17. Roll out the Pearl of Africa Brand. The development of the brand is complete and now ready for rollout – **UGX 25.65 billion**	25.65
18. Domestic Tourism promotion events and campaigns conducted in partnership with the private sector and cultural institution to fill the gaps in demand that have been created by the reduction in international tourism and also increase and sustain domestic tourism numbers **UGX8.8 billion**	8.80
19. Shortfalls in enforcement and compliance to tourism standards and regulations strengthened through registering, inspecting and licensing tourism service providers. We currently have 1.7% of the 6,000 accommodation facilities across the country currently licensed by the regulator. **UGX 3.86 billion**	3.86
VOTE 015 : MINISTRY of Trade Industry and Cooperatives	
Implementation of approved Policies and Strategies under the sector	
(i) Implement the national Sugar Act provisions requires	
(ii) Implementation of Accreditation to Conformity requires Ugx 2 Bn and	
(iii) Other Policies as listed	
	2.00
Acquisition of vehicles to support Ministry's fleet for coordination, Monitoring and supervision function.	6.00
Promote rural industrialization and SME enterprise development	16.50
Implementation of strategic initiatives aimed at increasing national export of goods and services.	10.00
Strengthening cooperatives Organization into Strong sustainable network of Cooperative organization that have significant contribution to the productivity of the Country	3.00
Digitalization of the Ministry of Trade, Industry and Cooperatives services to enable e -registration of cooperatives, e -licensing of industries, e- registration, expansion of the electronic single window, document management, monitoring of foreign traders, e-barcoding of Uganda products, market information and provision of infrastructure and systems to enable digital Trade. (National E- Commerce platform)	6.00
The construction of Trade House which requires about Ugx 10 billion for the FY 2022/23.	10.00
UGANDA DEVELOPMENT CORPORATION	
Kyarusozi Tea:	10.00
Mabale Tea:	2.00

Item Description	Funding Gap
Coffee grading and roasting (Greater Masaka):	1.00
Coffee processing - Kampala:	5.50
Soluble Coffee (Wakiso):	5.00
Sugar factory (Luuka):	50.00
Soroti Fruit factory:	21.90
Masaka Fruit Factory:	10.00
Cocoa processing plant:	10.00
Grains Value addition:	30.00
Packaging:	10.00
Steel processing facility:	4.00
Moroto Ateker Cement Factory:	50.00
Investment in Road Construction:	60.00
East African Medical Vitals for manufacturer of medical gloves	50.00
VOTE 154: UGANDA NATIONAL BUREAU OF STANDARDS	
Recruitment of additional 200 Staff for;	12.00
VOTE 306: UGANDA EXPORT PROMOTION BOARD	
(i) National campaign on export-oriented production and marketing	*0.53*
(ii) Developing and marketing Uganda's services as exports	*1.15*
(iii). Promote Uganda's participation in target international market promotion events	*1.42*
(iv). Buyer-seller missions to target markets	*2.52*
(v). UEPB building capacity of missions to promote commercial diplomacy	*1.51*
(vii). Implementation of the National Export Development Strategy (NEDS) and the National Export Action Plan	0.41
(viii). Export product development	1.22
ix). Communication, awareness and outreach	0.45
(x). Exporter Aftercare Services	0.95
VOTE 009: MINISTRY OF INTERNAL AFFAIRS – HEADQUARTERS	
National Security Coordination	9.01
Scale up operations of the Directorate of Community Service across the country	2.80
Capital Development	
Construction of a central storage facility for magazines and regulation of the use of commercial explosives	10.39
VOTE 120: DIRECTORATE OF NATIONAL CITIZENSHIP AND IMMIGRATION CONTROL	
Procurement of e-passport booklets	28.25
VOTE 144: UGANDA POLICE FORCE	

Item Description	Funding Gap
Construction of new staff housing	44.64
Renovation of existing barracks	20.00
Fuel, Oil and lubricants:	56.00
Repair & maintenance of fleet	22.67
· A marina for vessel maintenance (69)	56.00
· Investigations	41.30
· Crime Intelligence	8.36
· Capacity Building	5.69
· Radio Communication systems	65.00
	38.14
construction of new police stations	52.90
Expansion of CCTV	50.00
VOTE 145 :UGANDA PRISON SERVICE	
Prisoners Feeding	
Food for prisoners	26.31
Firewood for food preparation	2.13
Production of prisoners to courts:	
Fuel	2.39
Vehicle maintenance and repairs	1.46
Court escort allowances	7.13
Maintenance of Prisons Infrastructure	4.28
Sanitation and Hygiene requirement:	
Soap, detergents and other sanitary items	4.65
Toilet tissues, sanitary towels and dippers	1.83
Sundries	3.66
Prison Congestion	20.00
Staff Accommodation	39.00
VOTE 135: GOVERNMENT ANALYTICAL LABORATORY	
1. Equipping the Regional Forensic Laboratories	12.40
2. Construction of the National DNA Databank	19.00
3. Case backlog clearance	5.60
4. Salary Enhancement of forensic scientists	5.74
5. Age analysis equipment	2.00
VOTE 139: NATIONAL IDENTIFICATION AND REGISTRATION AUTHORITY	
New Identification system and related equipment and accessories	46.54

Item Description	Funding Gap
Preparation activitis for Acquisition of NIRA Home/Offices.	3.00
Wage	95.[illegible]
VOTE 004: MINISTRY OF DEFENCE AND VETERAN AFFAIRS	
d) Maintenance for combat service support equipment	10.30
Infrastructure development:	
UPDF Barracks (12,000 Housing Units)	[illegible]0.00
COMMITTEE ON EDUCATION, AND SPORTS	
Vote 013: Ministry of Education and Sports	
a) Contingency Budget to address long-term effects of disasters	
b) Teachers' Scheme of Service	0.26
c) Recovery from COVID 19 disruptions	65.74
d) Establishment of Education Institutions	14.96
e) Capitation Grants for TVET	16.83
f) Nakawa Vocational Training Institute	5.50
g) Conduct Examinations during COVID 19 pandemic	3.72
h) Additional Examination Costs	2.04
i)Inadequate funding to conduct exams	5.70
j) Continued construction of office block	8.35
k) Transport Equipment	0.73
l) IT equipment	0.51
m) additional wage bill	1.48
n) Training and development of staff	1.57
o) Establishment of Resource Center Skills Center	2.36
p) Training and retooling of examiners, tutors, mentors and clinical instructors	6.30
q) Communications, Public Relations and document management	1.37
r) Conduct Research	1.57
s)Loan support to students	6.64
t)Upgrade the Loan Integrated Management System	2.50
U)Inadequate funding of the lower secondary curriculum	54.30
v) Other unfunded priorities(See Annex 2)	226.98
Vote 165 UBTEB	
a) Construction of assessment center	6.00
Vote 166 NCS	
a)Budget Cuts	25.50
b)Budget Shortfalls	78.00
Vote 128 UNEB	
a) Additional funding to conduct exams	15.50
b)Undertake NAPE	6.50

Item Description	Funding Gap
c) Train and Retool teachers in Continuous assessment of Lower Secondary Curriculum	5.00
d)Increase rates paid to examiners	3.25
Vote 122 KCCA	
b) Improve infrastructure	2.00
Vote 132 ESC	
a)Support Supervision	0.23
Vote 164 NCHE	
a)Wage bill	1.00
b)Recognition and Equating Qualifications	0.81
c) Construction of main Building	
Vote 111 NCDC	
a)Budget Cuts on critical non-wage activities	
b)Review of CBET curricula for TVET Modular assessment	3.00
Vote 301 MUK	
a)Inadequate funding for rehabilitation of dilapidated infrastructure	15.00
Vote 306 Muni University	
a)Inadequate funding of non-wage	2.80
b) Inadequate development budget	6.87
c) Inadequate staffing	2.40
Vote 305 Busitema University	
a)Inadequate releases to Maritime Institute in Namasagali	5.80
b) Funding of Technology Business Innovation and Incubation Center	3.00
c)Inadequate funding for the lecture and Laboratory complex in Mbale	12.10
Vote 307 Kabale University	
a)Inadequate teacher facility and laboratories	6.00
Vote 312 UMI	
a)Upgrade of Mbale Campus	0.84
b)Construction of Multipurpose building	10.00
Vote 310 Lira University	
a)Inadequate Development Fund	10.00
Vote 308 Soroti University	
a)Inadequate Development Budget	4.10
Vote 302 MUST	
a)Inadequate funding staffing	22.50
construction of the central administration block at Kihumuro campus	8.00
CITT	4.70
Vote 304 Kyambogo University	
a)Inadequate teaching and office space	22.00

Item Description	[illegible]
Vote 309 Gulu University	
a) Inadequate Budget	25.21
Understaffing of public universities	40.00
Funding research at public universities	50.00
COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES	
Vote 019-MEMD	
SUSTAINABLE ENERGY PROGRAMME under MEMD	
Restoration of the Electricity Connections Policy (ECP)	227.30
Rural Electrification	434.80
Provision for Deemed Energy	193. 31
End of Eskom Uganda limited concession for Nalubale dam	62.00
Establish a biofuels laboratory (construction, staffing, equipment and operational costs	1.20
Subsidy provision for manufacturers at industrial parks	160.00
Funding for Orio mini hydro power plant	72.00
Centre for Nuclear Science and Technology;	21.60
End of UMEME concession buy out amount	256.20
Conclusion of Geothermal exploration	22.55
Drilling shallow wells	
MINERAL DEVELOPMENT PROGRAMME under MEMD	
Artisanal Miners Formalised and trained	4.76
Establishment of mining infrastructure like; specific weigh bridges, E-government mineral production system, model mine and elution plants	16.10
Geological and feasibility studies undertaken and bankable projects generated	1.00
Construction and equipment of mineral beneficiation centres	65.00
PETROLEUM DEVELOPMENT PROGRAMME under MEMD	
RAP for the refined products pipeline UGX. 103.05billion	103.00
Capitalisation of UNOC	178.00
UNOC additional requirements (Investment Budget is UGX 887.9 Billions)	555.00
development of the Kampala Storage Terminal	264.20
stocking of Jinja Storage Terminal and Oil Jetty and Pipeline	42.00
Vote 312-PAU	
Regulation and monitoring of oil and gas operations	17.55
National Petroleum Data Repository Infrastructure (NPDRI) Project:	52.00
Recruitment of 46 staff	9.50
Specialised Staff Training in oil and gas operations	2.29
Procurement of 10 vehicles	3.50
VOTE – 019-MINISTRY OF WATER AND ENVIRONMENT	

Item Description	Funding Gap
STRATEGIC TOWNS WATER SUPPLY AND SANITATION PROJECT (STWSSP)	12.00
REPAIR AND MAINTENANCE OF BOREHOLES	30.00
SERVICE COVERAGE ACCELERATION PROJECT - UMBRELLAS (SCAP 100 - UMBRELLAS)	25.00
LAKE VICTORIA WATER AND SANITATION (LVWATSAN) PHASE 3	11.00
DEVELOPMENT OF SOLAR POWERED IRRIGATION AND WATER SUPPLY SYSTEMS(NEXUS GREEN)	11.00
KARAMOJA SMALL TOWN AND RURAL GROWTH CENTERS WATER SUPPLY AND SANITATION PROJECT	10.00
WATER AND SANITATION DEVELOPMENT FACILITY - EAST-PHASE II	12.00
WATER AND SANITATION DEVELOPMENT FACILITY - SOUTH WESTERN-PHASE II	12.00
WATER AND SANITATION DEVELOPMENT FACILITY CENTRAL - PHASE II	14.00
WATER AND SANITATION DEVELOPMENT FACILITY NORTH - PHASE II	11.00
Rural Water Supply Sub Programs	30.00
NWSC	
Kampala Water Lake Victoria WatSan Project (KW LVWATSAN) (1193)	40.80
VOTE NATIOANAL ENVIRONMENT MANAGEMENT AUTHORITY	
Automation of Environment and Social Impact review processes and other Business Processes	12.20
enhancement of the district Environmental Enforcement Grant	6.00
Effective Environmental Monitoring, inspection and Supervision of Oil and Gas aspects	11.80
Enhancement of the district Environmental Enforcement Grant	15.00
Establish, Train, Equip and remunerate the Environmental Protection Force (EPF)	11.00
VOTE NATIONAL FORESTRY AUTHORITY	
New tree plantation targeting 3,000 hectares per year	4.20
Stop further encroachment and degradation of the forest reserves at UGX 3.166bn	6.00
UNMA	
Dissemination of weather information	0.17
weather equipment	1.24
COMMITTEE ON GENDER, LABOUR AND SOCIAL DEVELOPMENT	
VOTE 018: MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT	
Moblise Communities to embrace the Parish Development Model	
Renovation of Ministry Institutions (Remand/children's homes rehabilitation Centers, reception centers	10.00
Support to creative arts to establish a modern recording studios	
Enhancement of pay/emoluments	0.84
Transport equipment for the MUFTI and Ministry political leaders	3.00
Green Jobs and Fair Labour Programme and National Apprenticeship and Graduate Volunteer Scheme	50.00
Establish regional gender based violence shelters in Uganda;	10.00

Item Description	Funding Gap
Beneficiaries that did not receive remittances in the 4th **quarter of FY 2020/21**	36.20
SAGE Rollout for 80 years	26.90
The age for beneficiaries be revised downwards to 75	100.00
Presidential Pledge for older Persons	10.00
Renovation of Rehabilitation Centers for Persons with Disabilities	10.00
Improvement of access to labour justice	10.00
Enhancement of pay/emoluments for traditional leaders	0.34
PWD grants	3.40
UWEP	32.00
Withdrawal, Rehabilitation and settlement Street Children	3.00
EQUAL OPPOTUNITIES COMMISSION	
Research and report on Equal Opportunities	2.00
Tribunal hearings	3.00
Staffing	1.80
Enhancement of the Budgets for the Councils for Special Interest Groups	9.79
COMMITTEE ON AGRICULTURE	
VOTE 010: MINISTREY AGRICULTURE ANIMAL INDUSTRY FISHERIES	
Extension policy support (Enterprise selection support)	5.00
Deliberate partnerships with lead farmers (nucleus) who have large chunks of land as key drivers for achieving the target on increased land use and thus sustaining adequate production volumes for agro-industrialization.	15.00
Holistic Farmer education (okuzukusa) through partnerships with Lead farmers and the Media.	15.00
Assorted tractors and implements	40.00
Ox plough and accessories	10.00
bush clearing and land opening equipment(Heavy earth moving euipments)	20.00
water facility construction equipment	10.00
Develop 3 zonal and sub-regional agricultural mechanization centres	10.00
Small scale irrigation	10.00
Fisheries Aquaculture ponds	6.00
Support Capture fisheries (fishing gear, boats, engines)	18.00
Scale-up Disease control interventions	10.00
procurement of assorted tractors and implements	20.00
procurement of ox ploughs and accessories	10.00
bush clearing excavators	20.00
developing zonal and sub-regional agricultural mechanization centers	10.00
Strategic interventions for perennial and high-value national export crops (in selected sub-regions)	17.00
MAAIF will prioritize the development and equipping of agricultural export hubs (cold room infrastructure, holding grounds, quarantine centres, labs).	35.00

Item Description	Funding Gap
VOTE 121: DAIRY DEVELOPMENT AUTHORITY (DDA)	
Construct (03) new and rehabilitate (14) old dairy cold chain infrastructure i.e. Milk Collection Centre	5.18
Upgrading of Entebbe Dairy Training School to a Dairy Training and Incubation college.	11.40
Rehabilitate and equip the Mbale dairy factory	4.00
Construct and equip regional milk testing laboratories	5.20
For pesticides for Cotton	5.00
Salaries and staff costs (NSSF& Gratuity) should be provided;	0.59
NATIONAL AGRICULTURAL RESEARCH ORGANISATION (NARO)	
Equip Agricultural research laboratories and retool institutes with research machinery and transport equipment	20.40
Revitalize Agricultural research institutes (NASARRI, MBAZARDI and NGETA) for generation	20.00
Domesticate the Nile Perch for the expanded market, Industry, Nutrition and job creation	5.20
Research and management of Invasive Species (Kariba weed and water hyacinth) in terrestrial and aquatics	4.70
MSM scale value addition equipment for Sim Sim and Ground Nuts (oil seeds	30.00
for promotion of Macadamia growing in Local Governments	10.00
promote small scale value addition equipment for Cocoa should be provided	2.00
promote production and processing of Cashew nuts should be provided.	10.00
Support Tea growing and processing should be provided.	15.00
VOTE 125 :NATIONAL AGRICULTURE GENETIC RESEARCH CENTRE AND DATA BANK (NAGRC&DB)	
Introduction, multiplication, and production of tropicalized superior breeding stock on NAGRC&DB farms (cattle, goats, sheep, pigs etc) and availing them to farmers countrywide.	15.90
Undertaking community breeding outreach programs	10.00
Establish animal and fish feeds production and storage	30.00
VOTE 160: UGANDA COFFEE DEVELOPMENT AUTHORITY (UCDA)	
Arrears of coffee Seedlings	19.20
Purchase of coffee seedlings	19.20
Procurement of primary processing equipment including hulleries (Robusta coffee), Wet mills (Arabica coffee) and Solar driers	2.00
A Soluble coffee plant was established to promote the value addition of coffee in line with the Agro-industrialization program (Feasibility study is ongoing)	1.00
Implementation of Raod map	19.00

Item Description	Funding Gap
VOTE 155: COTTON DEVELOPMENT ORGANISATION (CDO)	
Provision of cotton planting seed	6.50
Salaries and staff costs (NSSF & Gratuity)	0.[illegible]9
Pesticides	5.00
VOTE 152:NATIONAL AGRICULTURAL ADVISORY SERVICES	
Domestication of the Nile Perch	[illegible].20
Revitalizing the research institutes	20.00
Equipping agricultural research laboratories and retooling.	20.40
Value addition –small scale value addition equipment for Cocoa	2.00
Tea	15.00
Value addition – MSM scale– value addition equipment for Sim Sim and Ground Nuts in Northern and Eastern Uganda and cocoa growing in Local Governments	30.00
Hand hoes (standing pledge)	30.00
COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS	
VOTE 007: MINISTRY OF JUSTICE AND CONSTITUTIONALL AFFAIRS	
Court Awards and arrears	216.35
New Ministry Structure	1.90
Payment of cattle compensation	100.00
Construction of Court Buildings	23.71
Renovation of Court Buildings	1.00
Retirement Benefits	5.35
Medical Expenses	5.25
Construction of IG Head Office Building	20.60
Wage and Related wage expenses	3.10
Non-wage shortfall	3.24
Members and Staff welfare	69.59
Wage	40.84
Wage related costs	24.57
Budgetary Shortfall	162.52
Budget cut	41.57
General Election Activities	54.53
Wage	11.17
Operationalisation of offices	7.26
National Consultative Forum	0.45
Outstanding Domestic Arrears	2.74
Transfers to political parties	45.00

Item Description	Funding Gap
Printing of Revised Principal Laws of Uganda	5.00
Court Award	0.52
Translated and Published Laws	0.30
Wage enhancement	11.75
Procurement of vehicles	2.29
Civic Education and Human Rights Awareness	16.04
Construction of Multi storied building	61.50
Legal Aid Services	1.00
E-Reports	0.50
ICT	3.00
Arrears	0.77
Development of decentralization of URSB services	2.00
Mass business registration	15.25
ISO certification	0.32
Wage	10.00
Non-wage	9.90
Procurement of Vehicles	28.80
Computerization	3.65
wage	0.51
Operational	1.47
Operational	0.76
COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT	
VOTE 005 :MINISTRY OF PUBLIC SERVICE	
Service Delivery Standards developed, Documented, disseminated and inspected for compliance	1.63
VOTE 146: PUBLIC SERVICE COMMISSION	
Upgrade of the E-recruitment – Shs. 1.2 bn	1.20
Acquire the land for construction of the Office Block	0.80
Induction of the 10 City Service Commission	0.13
VOTE 011: MINISTRY OF LOCAL GOVERNMENT	
Induction of councilors conducted in 133 Districts and 19 MCs	12.00
Office accommodation for Parishes Phased manner {@ 50M}	120.00
Parish Model Operationalization	24.00
VOTE 601-999 LOCAL GOVERNMENTS	
Additional staff Local Government Commission;	1.60
Water for Agricultural Production:	20.00

Item Description	Funding Gap
VOTE 021: MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS	
Shortfall in operational expenses	7.50
Sensitization and public awareness activities	8.72
COMMITTEE ON INFORMATION COMMUNICATION TECHNOLOGY AND NATIONAL GUIDANCE	
VOTE 020: Ministry of ICT and National Guidance	
Implementation of the Parish Development Management Information System (PDMIS)	70.60
Business Process Outsourcing (BPOs), Digitization and Innovation	26.90
UGANDA INSTITUTE OF INFORMATION COMMUNICATION ANDTECHNOLOGY	14.89
Vision group support to revamp vernacular papers (Orumuri, Etop and Rupiny)	2.90
UBC-Signet	51.12
Communication and Mindset Change	9.00
Communications Tribunal	5.46
Revamping and operationalizing of Posta Uganda Facilities	7.24
VOTE 126: National Information Technology Authority- Uganda (NITA-U)	
Fully operationalize the NITA-U Staff Structure	8.82
Operationalization of the Data Protection Office	5.92
Enhancement of the National Data center.	20.00
Extension of Connectivity to Government MDAs and LGs	33.10
COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT	
VOTE 008: THE MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT	
Expansion of the scope of beneficiaries in the Emyooga Program	100.00
Capitalization of UNOC	77.00
Pillar3 of the Parish Development Model;	465.00
Allocated to the National Planning Authority to construct Planning House	15.00
Carry out the mid-term NPD3 and end term NDP2 evaluation	3.65
Recruitment of 61 staff (Salary, Gratuity, NSSF, Medical etc	4.50
314: NATIONAL LOTTERIES AND GAMING REGULATORY BOARD (NL&GRB)	288.50
Procurement of a National Central Electronic Monitoring System	6.83
Recruitment of additional staff	2.50
procurement of a National Central Electronic Monitoring System	6.85
VOTE 316: UGANDA FREE ZONES AUTHORITY (UFZA)	
Construction of the Entebbe International Airport Free Zone.	28.24
VOTE 141: UGANDA REVENUE AUTHORITY	
Staff welfare enhancement initiative	106.00

Item Description	Funding Gap
Procurement of non-intrusive inspection of goods at all entry points into the country	10.00
Regional Electronic cargo tracking-2000	6.30
163: UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY	
purchase of vehicles and facilitation of field staff	1.60
Recruit additional staff	1.80
Roll out the licensing regime across the country	2.00
Retooling project	22.63
VOTE 153: PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY	
carry out its monitoring mandate	2.50
Recruitment of Additional Staff	1.50
VOTE 131: OFFICE OF THE AUDITOR GENERAL	
Audit of Parish Development Model, new local governent	16.00
Participate in the International arena.	0.50
GRAND TOTAL	**12,563.61**

Annex 2: Other Unfunded Priorities for Ministry of Education and Sports FY2022/23.

Dept	Name	Brief Description	Funding gap (UGX Bn)	Justification
1	Basic Education	Coding 400 already existing schools constructed by partners and community	23.4	To fulfill the government policy of a primary school per parish and to save government funds of constructing a new primary school in parishes without.
1		Rehabilitate 75 Primary Schools	10.1	To improve on learning environment.
1		Construction of latrines in 100 Primary Schools	3.2	Construction of 5 stance pit latrine stances in at least 100 schools at a unit cost of 32m
	Sub Total		**36.7**	
2	Government Secondary Education	Rehabilitation of 26 Traditional Secondary Schools	20	To improve on learning environment.
2		Construct 20 science laboratories in secondary schools	3	In fulfillment of the requirement of the government policy of promoting science education.
2		Completion of APL I structures	20.6	Complete construction of schools that were abandoned during the APL 1 project.
	Sub Total		**43.6**	
4	Special Needs Education	Procurement and distribution of specialized instructional materials/equipment for learners with special learning needs in primary, Teachers College and secondary schools	0.68	There is need to note that the provided funds cannot procure annual materials for 130 schools with special needs given the specialization and cost of the equipment used for some of the categories mentioned above.
4		Infrastructure renovation	1.22	Renovation of 10 schools to improve accessibility of infrastructure for learners with disability
4		Specialized equipment and machinery	0.65	Machinery and equipment will be provided in the workshops
	Sub Total		**2.55**	
6	Technical Vocation Education Training Operations and Management	All Government TVET Institutions connected to power supply as a training material	4.5	Connect, install required appliances and supply power; Roll out ODEL/Edmodo by providing rooted gadgets to TVET institutions
6		Construct Training facilities in TVET OM institutions to	47.48	Rehabilitate, Expand/Complete, and equip 06 colleges (04 existing colleges and

		conform to TVET standards		complete/operationalize Nwoya Institute and Rwentanga Agriculture College (Presidential Pledge)); Rehabilitate, Expand and equip 10 existing VTIs @ 3bn each; Rehabilitate, Expand/Complete, and equip existing 10 SDCs @ 1.5 bn each; Construct and equip New Skills Development Centers in districts without any (10 SDCs every year for the next 5 years at a cost of 3.5 bn each)
5		Equipping and equipment utilization in TVET institutions including ICT	3	Equip 36 expanded and rehabilitated TVET institutions at a rate of 1bn each.
6		Review entry requirements to increase enrolment	0.86	Decentralized admissions conducted at 5 Regional Centers.
		Equipping the selected TVET institutions for international accreditation by providing the necessary infrastructure Equipment and materials	4.33	06 TVET Institutions equipped and assessed for international accreditation (NyakatareTI, Lugogo VTI, Arua TI, Kitgum TI and Buhimba TI, Kakika TS) each at UShs 700m.
	Sub Total		**60.17**	
8	**TVET Trainers' Training, Research & Innovation**	Enhancement of TTRI budget	7.67	Additional funding required for Development of an occupational competence profile (600m) Training Trainers in Competence standards (800m) CBET Training curriculum (800m) Digitization of the TVET trainer (600m) Retooling 300 TVET trainers in ICT integration (870m) Baseline survey on TVET training (530m) National innovation conference (300m) Equipping institutions (2.3bn) Retooling Trainers in Technical Trade Competences (870m)
	Sub Total		**7.67**	
9	Admissions, Scholarships and Student Affairs	Establishment of a National University Admission System	0.44	Need have a centralized placement system to reduce on delays for admission to the Universities
	Total		**0.44**	
10	University Education and Other Degree Awarding Inst'ns	Dissemination of the National Higher Education Policy	0.5	Policy expected to be passed this year
10		Establishment of Bunyoro	5	For the taskforce to start its work.

		University		
10		Mountains of Moon University	15.4	For operationalization of the University.
10		Establishment of Busoga University	18.2	For operationalization of the University.
10-		Design local learning platforms in liaison with HEIs, telecom companies and entrepreneur	0.5	Aim to work with providers to get affordable learning platforms to roll out ODEL
	Sub Total		39.6	
12	Directorate of Education Standards	Increased inspection	0.33	Inspection of 5000 secondary schools
12		Vehicle Purchase	1.0	Purchase of 5 double cabins @ UShs 200m to monitor 178 Local Governments 1400 BTVET Institutions. 4000 secondary schools, 100 ECD teacher training Institutions 60 PTCS and 1500 schools and Institutions
	Sub Total		**1.33**	
13	Physical Education and Sports	Finalization of the National Physical Education and Sports Policy.	0.15	Finalization of National Physical education and Sports Policy to inform Development and Institutionalization of PES Talent Identification and Development frame works
13		Schools and Institutions National Teams (primary, secondary in FEASSA, ISF,)	0.51	Facilitating 4 residential trainings of the national selected teams, · Dressing 4 National teams, · Transportation and upkeep of 4 national teams, · Facilitating acclimatization in host country, · Dressing 4 National teams, · Transportation and upkeep of 4 national teams, · Facilitating acclimatization in host country
	Sub Total		**0.66**	
14	**Finance and Administration**	Education for Sustainable Development: Supporting UNESCO /UNATCOM Secretariat	0.28	Enable the Secretariat perform its duties.
	Sub Total		**0.28**	
18	Health Education and Training	Wage	14.03	For salaries of HET Staff and field staff
18		Capitation	8.15	Subvention for this at a rate of 5,000 for 44 weeks per year
18		PPEs(Instructional Materials)	3.98	Procure PPEs at a unit rate of Ushs.200m

18		Precipitators	0.6	Clinical support supervision for students at a rate of Ushs.30m per college
18		School based assessment fees	0.52	School based assessment at a rate of 53,200 per learner for 9,765 learners
18		Curriculum review	1.6	Develop and review 10 out of 49 curricula
18		Retooling of tutors, Instructors	0.47	Retooling and skills upgrade of tutors and clinical instructors
18		Monitoring and Supervision	0.47	Facilitation of officers to supervise 169 institutions at a rate of Ush.3m
18		Interview and Verifications	0.16	Additional funds to facilitate verifications of Nursing students at 10 centers by IMSCC
	Sub Total		**29.98**	
	Vote 304 Kyambogo University	Procurement and Installation of ICT equipment to facilitate E-learning and blended learning in these times of the pandemic and beyond	4.0	The strategic direction of the University is to introduce blended learning using E-learning platforms hence the quest to procure ICT equipment.
	Grand Total		**226.98**	

SIGNATURE LIST OF THE COMMITTEE ON BUDGET ON THE NATIONAL BUDGET FRAMEWORK PAPER FY 2022/23 REPORT

Sr. No.	NAME	CONSTITUENCY	SIGNATURE
01	**Hon. Opolot Parick Isiagi**	**Chairman**	
02	**Hon. Wamakuyu Ignatius**	**Deputy Chairman**	
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04	Hon. Namukuta Brenda	Member	
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06	Hon. Kaberuka Ruugi James	Member	
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41	Hon. Ssemujju Ibrahim Nganda	Member	
42	Hon. Gen. Mbadi Mbasu Wilson	Member	
43	Hon. Prof. Elijah Dickens Mushemeza	Member	