



REPUBLIC OF UGANDA



REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT ON THE MINISTERIAL POLICY STATEMENT FOR THE FY
2022/23-FY2026/27

Parliament Building
Kampala-Uganda

April 2022

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1.0 Introduction

Rt. Hon. Speaker and Hon. Members,

In accordance with Article 155 (4) of the Constitution of the Republic of Uganda; Section 12 of the Public Finance Management Act, 2015 and Rule 148 of the Rules of Procedure of Parliament, Sectoral Committees are mandated among other things to;

- i. Examine and Comment on Policy matters affecting Ministries, Departments and Agencies under their jurisdiction and;
- ii. Examine critically Government recurrent and capital budget estimates and make recommendations on them for general debate in the House.

In light of the above, I present for your consideration and adoption the Report of the Committee on Finance, Planning and Economic Development in respect of the Ministerial Policy Statement for the FY2022/23:

1.1 Structure of Report

This report is structured in three Parts:

Part 1: Is the introduction

Part 2: Is an overview of the Sector's Budget Performance for the first half of FY 2021/22; this covers financial performance and physical performance;

Part 3: Is an overview of the Sector's Budget Proposals for FY2022/23;

Part 4: Is the Committee's Observations and Recommendations

1.2 Scope

The Committee considered the Ministerial Policy Statement and examined the proposed budgetary allocations for the FY2022/23 of the following Votes and Subventions under the Committee's jurisdiction:

VOTES UNDER THE COMMITTEE'S JURISDICTION

S/ N	VOTE	MINISTRY/DEPARTMENT/AGENCY	MANDATE
1.	Vote 008	Ministry of Finance, Planning & Economic Development (MFPED)	To formulate sound economic policies, regulate financial management and ensure efficiency in public expenditure, mobilize local and external financial resources, and oversee national

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S/ N	VOTE	MINISTRY/DEPARTMENT/AG ENCY	MANDATE
			planning and strategic development initiatives for economic growth.
2.	Vote 108	National Planning Authority	To develop, coordinate, monitor & evaluate; development of comprehensive and integrated development plans for the country.
3.	Vote 123	National Lotteries and Gaming Regulatory Board (NL&GRB)	To supervise and regulate the establishment, management and operation of lotteries, gaming, betting and casinos in Uganda in a bid to protect the Ugandans from the adverse effects of gaming and betting.
4.	Vote 129	Financial Intelligence Authority (FIA)	To prohibit and prevent money laundering, in order to combat money laundering activities.
5.	Vote 130	Treasury Operations	To create and maintain a high quality and updated database of GOU debt Portfolio; Requisition for external resources / disbursements on a timely basis; Process Government Statutory Debt Obligations as and when they fall due; Administration of the Contingency Fund & Petroleum Fund; Provide Financial and accounting guidance in the management of Government Investments.
6.	Vote 131	Office of the Auditor General	To audit and report on the public accounts of Uganda and all public offices and to conduct financial and value for money audits in respect of any project involving public funds.
7.	Vote 138	Uganda Investment Authority (UIA)	To initiate and support measures that enhances investment in Uganda and advice Government on appropriate policies conducive for investment promotion and growth. To initiate and support measures that enhances investment in Uganda and advice Government on appropriate policies conducive for investment promotion and growth.
8.	Vote 140	Capital Markets Authority (CMA)	To develop all aspects of the capital markets with particular emphasis on the removal of impediments to, and the

S/ N	VOTE	MINISTRY/DEPARTMENT/AG ENCY	MANDATE
			creation of incentives for longer term investments in productive enterprise; create, maintain and regulate a market in which securities can be issued and traded in an orderly, fair and efficient manner, through implementation of a system in which the market participants are self-regulatory to the maximum practicable extent; protect investors' interests; and operate a compensation fund.
9.	Vote 141	Uganda Revenue Authority	To assess, collect and account for Central government tax revenue and to provide advice to government on matters of policy relating to all revenue sources.
10.	Vote 143	Uganda Bureau of Statistics	To develop, maintain and coordinate a National Statistical System (NSS) so as to ensure collection, analysis and publication of integrated, relevant, reliable and timely statistical information; To coordinate, monitor and supervise the National Statistical System (NSS)
11.	Vote 149	National Population Council (NPC)	To formulate policies and give strategic direction on the implementation of the objectives of the National Population Policy; advise the President on population matters; Promote and popularize the National Population Policy; and set up a National Population Databank.
12.	Vote 153	Public Procurement and Disposal of Public Assets	To ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposals standards and practices.
13.	Vote 161	Uganda Free Zones Authority (UFZA)	To regulate, establish, manage, market, maintain, supervise and control Free Zones in Uganda. Free Zones are among the export promotion and development schemes earmarked by the National Development Plan (NDP) III to address the growing trade

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S/ N	VOTE	MINISTRY/DEPARTMENT/AG ENCY	MANDATE
			deficit, employment needs and promote industrialization.
14.	Vote 162	Uganda Microfinance Regulatory Authority (UMRA)	To license, regulate and supervise Tier IV Financial Institutions. The establishment of UMRA was a response to the risks facing poor borrowers and depositors of Tier IV Financial Institutions including money lenders, SACCOs and Non-Deposit Taking Microfinance Institutions.
15.	Vote 163	Uganda Retirement Benefits Regulatory Authority	To supervise and regulate the establishment, management and operation of retirement benefits schemes, and to protect the interests of members and beneficiaries of retirement benefits schemes in Uganda.
	<p>Subventions:</p> <p>Economic Policy Research Centre Enterprise Uganda Micro-Finance Support Centre National Enterprise Corporation & Subsidiaries Tax Appeals Tribunal PPDA Tribunal Uganda Development Bank Post bank Uganda Limited Agricultural Credit Facility Uganda Insurance Scheme</p>		

1.3 Methodology

In considering the Ministerial Policy Statement, the Committee reviewed the following documents:

- (i) The National Budget Framework Paper for FY 2022/23 – FY 2026/2027
- (ii) The Ministerial Policy Statement
- (iii) The National Development Plan FY2020/21-2024/25
- (iv) The Draft Budget Estimates for the FY 2022/23
- (v) Annual Workplans for the various votes under the finance sector
- (vi) The Budget Call-Circulars for FY2022/23
- (vii) The Certificate of Gender and Equity Compliance

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- (viii) Treasury Memorandum
- (ix) Statement of Multiyear Commitments
- (x) Programme Implementation Plans
- (xi) The Charter of Fiscal Responsibility
- (xii) Audit Reports by the Office of the Auditor General
- (xiii) Other relevant documents

The Committee also held meetings with the following entities;

Votes:

- Vote 008: Ministry of Finance, Planning & Economic Development (MFPED);
- Vote 108: National Planning Authority (NPA)
- Vote 123: National Lotteries and Gaming Regulatory Board (NL&GRB);
- Vote 129: Financial Intelligence Authority (FIA)
- Vote 130: Treasury Operations
- Vote 131: Office of the Auditor General
- Vote 138: Uganda Investment Authority (UIA)
- Vote 140: Capital Markets Authority (CMA);
- Vote 141: Uganda Revenue Authority
- Vote 143: Uganda Bureau of Statistics
- Vote 149: National Population Council (NPC);
- Vote 153: Public Procurement and Disposal of Public Assets
- Vote 161: Uganda Free Zones Authority (UFZA);
- Vote 162: Uganda Microfinance Regulatory Authority (UMRA);
- Vote 163: Uganda Retirement Benefits Regulatory Authority

1.4 Limitations

The Committee covers a large sector. The death of Rt Hon Jacob Oulanya meant that all committee activities were put on hold. This has meant that we have only had one week to work on this report short of the time anticipated by our rules of procedures. This has had the implication that we are presenting this report very much as work in progress.

1.5 Program-Based Budgeting

The Government of Uganda transitioned from sector-based budgeting to program-based budgeting in order to improve the link between budgeting and national strategic objectives. The program-based budgeting structure allocates resources by program or functional area, in alignment with the national development plan.

The Committee observed that in accordance with section 9(3) of the PFMA 2015, the National Budget Framework Paper must be consistent with the

National Development Plan III (NDP III). The Committee noted that the goal of the NDP III is **“To Increase Average Household Incomes and Improve the Quality of Life of Ugandans”**.

In line with the program-based budgeting approach, below, shows the various programs under NDP3 and the various Ministries, Departments and Agencies that align to the said programs;

Programme	MDA
Agro-Industrialization	National Planning Authority (NPA)
Community Mobilization And Mindset Change	National Lotteries and Gaming Regulatory Board
	National Population Council
Development Plan Implementation	Ministry of Finance, Planning and Economic Development
	National Lotteries and Gaming Regulatory Board
	National Planning Authority (NPA)
	Treasury Operations (TOP)
	Uganda Bureau of Statistics (UBOS)
	Uganda Revenue Authority (URA)
Digital Transformation	National Lotteries and Gaming Regulatory Board
Governance And Security	Financial Intelligence Authority (FIA)
	Ministry of Finance, Planning and Economic Development
	National Lotteries and Gaming Regulatory Board
	Office of the Auditor General (OAG)
	Public Procurement & Disposal of Assets (PPDA)
Human Capital Development	National Planning Authority (NPA)
	National Population Council
Manufacturing	Uganda Investment Authority (UIA)
Mineral Development	National Planning Authority (NPA)
Natural Resources, Environment, Climate Change, Land And Water	National Planning Authority (NPA)
Private Sector Development	Capital Markets Authority
	Ministry of Finance, Planning and Economic Development
	National Lotteries and Gaming Regulatory Board
	National Planning Authority (NPA)
	Public Procurement & Disposal of Assets (PPDA)
	Uganda Free Zones Authority
	Uganda Investment Authority (UIA)

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Programme	MDA
	Uganda Microfinance Regulatory Authority
	Uganda Retirement Benefits Regulatory Authority
PUBLIC SECTOR TRANSFORMATION	National Lotteries and Gaming Regulatory Board
	National Planning Authority (NPA)
REGIONAL BALANCED DEVELOPMENT	National Planning Authority (NPA)
SUSTAINABLE PETROLEUM DEVELOPMENT	Ministry of Finance, Planning and Economic Development


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2.0 Semi Annual Budget Performance and achievements FY 2021/22

Vote 008 Ministry of Finance, Planning and Economic Development

The approved budget for FY 2021/22 amounted to UGX 783.04 billion of which UGX 6.87 billion was wage, UGX 494.4 billion was non-wage, UGX 160.32 billion approved for GoU development, UGX 113.07 approved to cater for external financing and UGX 8.39 billion for arrears. By the end of December 2021, 67.6 percent of the approved budget had been released and 87.4 percent of this release spent.

Budget absorption was affected by the COVID-19 related restrictions that led to postponement of some of the planned activities. In addition, procurement processes for various consultancies were still on going. Part of the funds under the development budget were encumbered to be paid to the contractors. The Ministry was also accumulating funds for payment of subscriptions.

Table 1: Vote 008 - Half year Budget performance FY 2021/22 (UGX, Billion)

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
Ministry of Finance, Planning & Economic Development					
Wage	6.87	3.44	3.31	50.0%	96.3%
NWR	494.40	376.34	364.46	76.1%	96.8%
Recurrent	501.27	379.78	367.77	75.8%	96.8%
GoU	160.32	84.25	51.68	52.6%	61.3%
Ext.Fin	113.07	56.92	36.82	50.3%	64.7%
Development	273.38	141.17	88.49	51.6%	62.7%
Arrears	8.39	8.39	6.61	100.0%	78.8%
Total	783.04	529.33	462.87	67.6%	87.4%

Source: Semi-Annual Budget Performance Report FY 2021/22 and PBO computations

Vote 108 National Planning Authority (NPA)

The approved budget for FY 2021/22 amounted to UGX 33.57 billion of which UGX 8.91 billion was wage, UGX 20.24 billion was non-wage, and UGX 4.41 billion approved for GoU development. By the end of December 2021, 50.9 percent of the approved budget had been released and 90.2 percent of this release spent. Funds that were unabsorbed at the end of the second quarter were committed for payment as per the contract waiting upon delivery.

Table 2: Vote 108 - Half year Budget performance FY 2021/22 (UGX, Billion)

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
National Planning Authority					
Wage	8.91	4.63	4.63	51.9%	100.0%
NWR	20.24	10.11	9.84	49.9%	97.3%

Recurrent	29.15	14.74	14.46	50.6%	98.1%
GoU	4.41	2.35	0.95	53.2%	40.4%
Development	4.41	2.35	0.95	53.2%	40.4%
Total	33.57	17.09	15.41	50.9%	90.2%

Source: Semi-Annual Budget Performance Report FY 2021/22 and PBO computations

Vote 123 National Lotteries and Gaming Regulatory Board

The approved budget for FY 2021/22 amounted to UGX 8.37 billion of which UGX 2.48 billion was wage and UGX 5.89 billion was non-wage. By the end of the first half of the FY 2021/22, 58.1 percent of the approved budget had been released and 35.9 percent of this release spent.

Budget performance was affected by the delayed approval of the 12 recruited staff by Ministry of Public Service and Attorney General's office due to the ongoing rationalization process. The board is under staffed, there was only 1 enforcement officer out 4 expected and 2 compliance officers out of 12 who are supposed to carry on licensing activities as well as field operations. This made it difficult for field activities such as inspections and enforcement to be carried out countrywide as planned.

Table 3: Vote 123 - Half year Budget performance FY 2021/22 (UGX, Billion)

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
National Lotteries and Gaming Regulatory Board					
Wage	2.48	1.24	1.03	50.0%	82.9%
NWR	5.89	3.62	0.72	61.5%	19.8%
Recurrent	8.37	4.86	1.75	58.1%	35.9%
Total	8.37	4.86	1.75	58.1%	35.9%

Source: Semi-Annual Budget Performance Report FY 2021/22 and PBO computations

Vote 129 Financial Intelligence Authority (FIA)

The approved budget for FY 2021/22 amounted to UGX 17.13 billion of which UGX 4.57 billion was wage, UGX 12.34 billion was non-wage, and UGX 0.22 billion approved for GoU development. By the end of June 2021, 59.1 percent of the approved budget had been released and 85.5 percent of this release spent.

By the end of the second quarter a number of procurement processes were still ongoing and the suppliers were yet to submit invoices for payment to be effected.

Table 4: Vote 129 - Half year Budget performance FY 2021/22 (UGX, Billion)

Category	Approved	Release	Spent	% of Budget	% of release
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	Budget		Released		spent
Financial Intelligence Authority (FIA)					
Wage	4.57	2.29	2.22	50.0%	96.9%
NWR	12.34	7.73	6.40	62.6%	82.9%
<u>Recurrent</u>	<u>16.92</u>	<u>10.01</u>	<u>8.62</u>	<u>59.2%</u>	<u>86.1%</u>
GoU	0.22	0.11	0.03	50.0%	30.0%
Development	0.22	0.11	0.03	50.0%	30.0%
Total	17.13	10.12	8.65	59.1%	85.5%

Source: Semi-Annual Budget Performance Report FY 2021/22 and PBO computations

Vote 130 Treasury Operations (TOP)

The approved budget for FY 2021/22 amounted to UGX 15,093.81 billion of which UGX 14,933.81 billion was non-wage, and UGX 160 billion approved to cater for arrears. By the end of the first half of the financial year 2021/22, 65.2 percent of the approved budget had been released and 92.6 percent of this release spent.

Additional funds toward the Contingencies Fund (UGX 228.3 billion) were provided through a cabinet decision to cater for pressures resulting from the COVID 19 pandemic. Expenditure from the CF is dependent on the occurrence of a disaster. During the first half of the financial year no disaster was witnessed.

Table 5: Vote 130 - Half year Budget performance FY 2021/22 (UGX, Billion)

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
Treasury Operations					
NWR	14,933.81	9,666.89	8,945.55	64.7%	92.5%
Recurrent	14,933.81	9,666.89	8,945.55	64.7%	92.5%
Arrears	160.00	171.48	169.11	107.2%	98.6%
Total	15,093.81	9,838.37	9,114.66	65.2%	92.6%

Source: Semi-Annual Budget Performance Report FY 2021/22 and PBO computations

Vote 131 Office of the Auditor General (OAG)

The approved budget for FY 2021/22 amounted to UGX 72.26 billion of which UGX 34.52 billion was wage, UGX 34.17 billion was non-wage, UGX 3.05 billion approved for GoU development and UGX 0.51 billion approved to cater for arrears. By the end of December 2021, 49.8 percent of the approved budget had been released and 81.1 percent of this release spent.

Overall variation in budget execution is attributed to COVID-19 related disruptions early on in the financial year, budget cuts in the first quarter of the financial year and procedural delays in processing payments timely. This resulted in delays in commencement of some planned activities and fund balances as at the end of the second quarter.

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