

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/AG ENCY	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

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

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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.
	<b>Subventions:</b>  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		

### 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

## 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
<b>Ministry of Finance, Planning &amp; Economic Development</b>					
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%
<b>Total</b>	<b>783.04</b>	<b>529.33</b>	<b>462.87</b>	<b>67.6%</b>	<b>87.4%</b>

**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
<b>National Planning Authority</b>					
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%
<b>Total</b>	<b>33.57</b>	<b>17.09</b>	<b>15.41</b>	<b>50.9%</b>	<b>90.2%</b>

**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
<b>National Lotteries and Gaming Regulatory Board</b>					
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%
<b>Total</b>	<b>8.37</b>	<b>4.86</b>	<b>1.75</b>	<b>58.1%</b>	<b>35.9%</b>

**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%
<u>Development</u>	<u>0.22</u>	<u>0.11</u>	<u>0.03</u>	<u>50.0%</u>	<u>30.0%</u>
<b>Total</b>	<b>17.13</b>	<b>10.12</b>	<b>8.65</b>	<b>59.1%</b>	<b>85.5%</b>

**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
<b>Treasury Operations</b>					
NWR	14,933.81	9,666.89	8,945.55	64.7%	92.5%
<u>Recurrent</u>	<u>14,933.81</u>	<u>9,666.89</u>	<u>8,945.55</u>	<u>64.7%</u>	<u>92.5%</u>
Arrears	160.00	171.48	169.11	107.2%	98.6%
<b>Total</b>	<b>15,093.81</b>	<b>9,838.37</b>	<b>9,114.66</b>	<b>65.2%</b>	<b>92.6%</b>

**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.

**Table 6: Vote 131 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Auditor General</b>					
Wage	34.52	17.26	16.22	50.0%	94.0%
NWR	34.17	16.57	12.16	48.5%	73.4%
<u>Recurrent</u>	<u>68.70</u>	<u>33.83</u>	<u>28.39</u>	<u>49.2%</u>	<u>83.9%</u>
GoU	3.05	1.65	0.41	54.1%	24.6%
<u>Development</u>	<u>3.05</u>	<u>1.65</u>	<u>0.41</u>	<u>54.1%</u>	<u>24.6%</u>
Arrears	0.51	0.51	0.38	100.0%	75.0%
<b>Total</b>	<b>72.26</b>	<b>35.99</b>	<b>29.17</b>	<b>49.8%</b>	<b>81.1%</b>

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

### **Vote 138 Uganda Investment Authority (UIA)**

The approved budget for FY 2021/22 amounted to UGX 68.43 billion of which UGX 6.8 billion was wage, UGX 10.33 billion was non-wage, UGX 3.9 billion was GoU development, UGX 45.2 billion was external development and UGX 2.11 billion to cater for arrears. By the end of December 2021, 25.2 percent of the approved budget had been released and 72.1 percent of this release spent.

Being a new vote, there were user challenges in procurement on IFMS and several people were not able to transact. The compensation of squatters of Mbale Land is ongoing as per the Chief Government Valuers recommendations. The squatters are paid immediately they satisfy the requirements. In addition, the consultants for the extension of power and maintenance of roads in the industrial parks are carrying on the work and payments were to be executed in the third quarter.

**Table 7: Vote 138 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Uganda Investment Authority (UIA)</b>					
Wage	6.83	3.42	3.09	50.0%	90.5%
NWR	10.33	6.17	3.93	59.7%	63.8%
<u>Recurrent</u>	<u>17.16</u>	<u>9.58</u>	<u>7.02</u>	<u>55.8%</u>	<u>73.3%</u>
GoU	3.91	5.54	3.78	141.8%	68.3%
Ext.Fin	45.25				
<u>Development</u>	<u>49.16</u>	<u>5.54</u>	<u>3.78</u>	<u>11.3%</u>	<u>68.3%</u>
Arrears	2.11	2.11	1.62	100.0%	76.7%
<b>Total</b>	<b>68.43</b>	<b>17.22</b>	<b>12.42</b>	<b>25.2%</b>	<b>72.1%</b>

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

### **Vote 140 Capital Markets Authority**

The approved budget for FY 2021/22 amounted to UGX 6.89 billion of which UGX 3.47 billion was wage and UGX 3.42 billion was non-wage. By the end



of the second quarter, 38.7 percent of the approved budget had been released and 62.9 percent of this release spent. Poor absorption is as a result of delayed recruitment of staff and late registration of vendors on the IFMS, it being a new vote.

**Table 8: Vote 140 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Capital Markets Authority</b>					
Wage	3.47	1.65	1.23	47.5%	74.5%
NWR	3.42	1.02	0.45	29.7%	44.0%
Recurrent	6.89	2.67	1.68	38.7%	62.9%
<b>Total</b>	<b>6.89</b>	<b>2.67</b>	<b>1.68</b>	<b>38.7%</b>	<b>62.9%</b>

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

### **Vote 141 Uganda Revenue Authority (URA)**

The approved budget for FY 2021/22 amounted to UGX 534.16 billion of which UGX 205.5 billion was wage, UGX 284.4 billion was non-wage, and UGX 44.2 billion approved for GoU development. By the end of December 2021, 56.5 percent of the approved budget had been released and 68 percent of this release spent.

By the end of the second quarter staff recruitment still ongoing. In addition, for the commitments made, the Authority was waiting for invoices before effecting payment. Procurements for Oracle and Microsoft support and maintenance renewals were ongoing. Similarly, committed procurements for ICT equipment and renovation of up-country offices were on-going together with those of the data centre, ITIL Implementation Asycuda word SOCLASS licences and support were still ongoing.

**Table 9: Vote 141 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>URA</b>					
Wage	205.50	102.75	71.83	50.0%	69.9%
NWR	284.42	176.92	119.90	62.2%	67.8%
Recurrent	489.92	279.67	191.73	57.1%	68.6%
GoU	44.24	22.12	13.51	50.0%	61.1%
Development	44.24	22.12	13.51	50.0%	61.1%
<b>Total</b>	<b>534.16</b>	<b>301.79</b>	<b>205.24</b>	<b>56.5%</b>	<b>68.0%</b>

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

### **Vote 143 Uganda Bureau of Statistics (UBOS)**

The approved budget for FY 2021/22 amounted to UGX 68.7 billion of which UGX 17.9 billion was wage, UGX 30.37 billion was non-wage, and UGX 20.4

billion approved for GoU development. By the end of December 2021, 51.9 percent of the approved budget had been released and 55.6 percent of this release spent.

**Table 10: Vote 143 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Uganda Bureau of Statistics</b>					
Wage	17.99	9.00	8.11	50.0%	90.1%
NWR	30.37	16.18	7.55	53.3%	46.7%
<u>Recurrent</u>	<u>48.36</u>	<u>25.18</u>	<u>15.66</u>	<u>52.1%</u>	<u>62.2%</u>
GoU	20.41	10.52	4.20	51.5%	39.9%
<u>Development</u>	<u>20.41</u>	<u>10.52</u>	<u>4.20</u>	<u>51.5%</u>	<u>39.9%</u>
<b>Total</b>	<b>68.77</b>	<b>35.70</b>	<b>19.86</b>	<b>51.9%</b>	<b>55.6%</b>

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

The performance of the Bureau was affected by the process of change in signatories of Accounting Officer role that took long to be concluded following the investigations by Inspectorate of Government. As such a number of planned activities could not be undertaken in time. The upgrade of the purchase module on the IFMS system which affected the processing of the Local Purchase Orders. The upgrade of the NSSF system to synchronise with the IFMS exercise. This upgrade affected the December 2021 NSSF which was yet to be paid. These in addition to the COVID-19 related restrictions which affected implementation of planned activities.

### **Vote 149 National Population Council**

The approved budget for FY 2021/22 amounted to UGX 16.19 billion of which UGX 3.33 billion was wage, UGX 12.04 billion was non-wage and UGX 0.82 billion was GoU development. By the end of the second quarter, 27.8 percent of the approved budget had been released and 74.6 percent of this release spent.

The funds that were not spent at the end of the quarter were for the pending inland travels meant for capacity building with the districts on programs of Resource Awareness Program on Impact of Population (RAPID) and POPDEV Integration. Some ongoing works and consultancies spilled over to the third quarter.

**Table 11: Vote 149 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>National Population Council</b>					
Wage	3.33	1.67	1.49	50.0%	89.3%
NWR	12.04	2.63	1.77	21.8%	67.5%
<u>Recurrent</u>	<u>15.37</u>	<u>4.29</u>	<u>3.26</u>	<u>27.9%</u>	<u>75.9%</u>
GoU	0.82	0.21	0.10	25.0%	47.2%

Development	0.82	0.21	0.10	25.0%	47.2%
<b>Total</b>	<b>16.19</b>	<b>4.50</b>	<b>3.36</b>	<b>27.8%</b>	<b>74.6%</b>

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

### Vote 153 Public Procurement & Disposal of Assets (PPDA)

The approved budget for FY 2021/22 amounted to UGX 23.28 billion of which UGX 6.97 billion was wage, UGX 5.32 billion was non-wage and UGX 10.99 billion was GoU development. By the end of the second quarter, 46.2 percent of the approved budget had been released and 89.4 percent of this release spent. This performance is as a result of postponement of some activities to Q3 due to Covid-19 related restrictions.

**Table 12: Vote 153 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>PPDA</b>					
Wage	6.97	3.48	3.33	50.0%	95.6%
NWR	5.32	2.89	2.09	54.3%	72.3%
<u>Recurrent</u>	<u>12.29</u>	<u>6.37</u>	<u>5.42</u>	<u>51.9%</u>	<u>85.0%</u>
GoU	10.99	4.39	4.20	39.9%	95.8%
Development	10.99	4.39	4.20	39.9%	95.8%
<b>Total</b>	<b>23.28</b>	<b>10.76</b>	<b>9.62</b>	<b>46.2%</b>	<b>89.4%</b>

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

### Vote 161 Uganda Free Zones Authority

The approved budget for FY 2021/22 amounted to UGX 13.96 billion of which UGX 2.39 billion was wage, UGX 3.7 billion was non-wage and UGX 7.8 billion was GoU development. By the end of the second quarter, 49.7 percent of the approved budget had been released and 32.4 percent of this release spent.

The Authority's physical performance in the first half of the financial year was largely affected by budget freezes on travel abroad, workshops and seminars budget items. During the quarters, there were minimal stakeholder engagements, business fora, expos, exhibitions, regional and international conferences and this negatively impacted the Authority's target outputs. Also, to note is that over 14.8% of the approved capital development budget had not been released as expected. This affected the execution of works at Entebbe International Airport Free Zone.

**Table 13: Vote 161 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
Uganda Free Zones Authority					

Wage	2.39	1.20	0.97	50.0%	80.8%
NWR	3.70	2.24	1.25	60.6%	55.6%
Recurrent	6.09	3.44	2.21	56.5%	64.4%
GoU	7.88	3.51	0.04	44.5%	1.1%
Development	7.88	3.51	0.04	44.5%	1.1%
<b>Total</b>	<b>13.96</b>	<b>6.94</b>	<b>2.25</b>	<b>49.7%</b>	<b>32.4%</b>

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

### Vote 162 Uganda Microfinance Regulatory Authority

The approved budget for FY 2021/22 amounted to UGX 7 billion of which UGX 2.17 billion was wage and UGX 4.8 billion was non-wage. By the end of the second quarter, 38.9 percent of the approved budget had been released and 92.1 percent of this release spent.

**Table 14: Vote 162 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Uganda Microfinance Regulatory Authority</b>					
Wage	2.17	1.09	1.08	50.0%	99.7%
NWR	4.83	1.64	1.43	33.9%	87.1%
Recurrent	7.00	2.72	2.51	38.9%	92.1%
<b>Total</b>	<b>7.00</b>	<b>2.72</b>	<b>2.51</b>	<b>38.9%</b>	<b>92.1%</b>

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

### Vote 163 Uganda Retirement Benefits Regulatory Authority

The approved budget for FY 2021/22 amounted to UGX 14 billion of which UGX 5.7 billion was wage and UGX 8.3 billion was non-wage. By the end of the second quarter, 37.2 percent of the approved budget had been released and 74.9 percent of this release spent.

By the end of the first half of the financial year, procurement processes for consultancy services relating to the Risk Based Supervision System and the National Micro-Pension Scheme were still ongoing as well as the and pending remittance of the December 2021 Social Security contributions (planned for January, 2022 in Q3 FY2021/22).

**Table 15: Vote 163 - Half year Budget performance FY 2021/22 (UGX, Billion)**

Category	Approved Budget	Release	Spent	% of Budget Released	% of release spent
<b>Uganda Retirement Benefits Regulatory Authority</b>					
Wage	5.70	2.85	2.56	50.0%	89.6%
NWR	8.30	2.36	1.35	28.4%	57.1%
Recurrent	14.00	5.21	3.90	37.2%	74.9%
<b>Total</b>	<b>14.00</b>	<b>5.21</b>	<b>3.90</b>	<b>37.2%</b>	<b>74.9%</b>

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

#### 1.4 Physical Performance

##### **Vote 008: Ministry of Finance, Planning and Economic Development.**

In the first half of the FY 2021/22, the Ministry achieved the following key deliverables aligned to NDP III programmes as follows:

##### **Programme 03: Sustainable Development of Petroleum Resources**

- i. Final Investment Decision for Tilenga, Kingfisher and EACOP took effect on 1st February 2022;
- ii. Completion of UNOC's successful application for a petroleum exploration license for the Kasurubani Block and negotiation of Production Sharing Agreement (PSA) terms;
- iii. Completion of the East African Crude Oil Pipeline (EACOP) Shareholder Agreement (SHA) on 15th February 2022;
- iv. Concluded negotiations on the amendment of the Joint Venture Agreement between One Petroleum Consortium for Jinja Storage Terminal
- v. Generated US\$ 593 million as revenue from Jinja Storage Terminal (JST) and bulk trading since July, 2021.
- vi. Completed the review of Resettlement Action Plan (RAP) implementation Bid Evaluation Reports for banking, valuation and social services and comments were forwarded to TOTAL East Africa Midstream (TEAM) B.V. and concluded valuation report disclosures to Project Affected Persons (PAPs) at village level in Uganda.
- vii. Drafted and reviewed the Terms of Reference for procurement of a consultant for the FEED, Geophysical and Geotechnical studies for Kampala Storage Terminal (KST) project development.
- viii. Concluded the review of EACOP Historical Costs Audit report.
- ix. Completed the audit FY 2020/21 for UNOC and its subsidiaries.
- x. Completed Process impact assessment to aid the Business Continuity Plan (BCP) formulation for NPC, Upstream and Commercial department.
- xi. Completed review and signing of agreements with Vitol Bahrain, Dalbit Petroleum and ECO Petro to scale up bulk fuel trading operations
- xii. Developed an Enterprise Business Process Impact Assessment Tool for profiling Company Processes.

##### **Programme 07: Private Sector Development**

- xiii. The stock of private sector credit rose by 7.1 percent to US\$ 18.2 trillion compared to a growth of 12.5 percent the previous

year.

- xiv. Launched the Parish Development Model and developed the implementation modalities.
- xv. Developed a Financial Sector Development Strategy aimed at increasing the access to long term finance by all businesses including micro, small and medium enterprises to support their growth and sustainability.
- xvi. To support public procurement, The Ministry drafted Integration of sustainable procurement aspects (Environmental, Economic and social inclusion) regulations, finalized the Preference and Reservation PPDA Regulations, developed the Sustainable Public Procurement National Action Plan.

### **Programme 03: Governance and Security**

- xvii. Finalized the Treasury Memorandum on Missions abroad covering FY 2013/14 to 2016/17.
- xviii. Developed the Asset Management Accounting guidelines and issued Board of survey guidelines for the Government Agencies under rationalization. The Ministry produced the consolidated Annual Board of survey reports in November 2021.
- xix. Activated e-GP Database monitoring.
- xx. The Ministry disseminated the PPDA Amendment Act, 2021 to Accounting Officers, Procurement Officers, Contracts Committees, and members of user Departments for both Central and Local Government, Civil Society Organizations, Providers and Development Partners. Validated the Draft PPDA Regulations, 2021 with Key stakeholders.

### **Programme 03: Development Plan Implementation**

- xxi. Economic growth: The first half of financial year 2021/22 registered economic growth of 3.8 percent reflecting an improvement in GDP from the same quarter of the previous financial year.
- xxii. Domestic revenue collections amounting to Ushs. 10,268.53bn against a target of Ushs. 11,093.19bn registering a deficit of Ushs. 824.66 bn representing a growth of 5.1% (Ushs. 495.09 billion) in revenue collections compared to the same period during FY 2020/21.
- xxiii. Five (5) Loan and 3 Grant Agreements were signed and these included; Sector Support Budget to the access to Justice Sub-program Euro 8m, Line of Credit to UDB by OPEC USD 20m, Irrigation for Development Project USD 15m. Two negotiations were held and these included; USD 200m for the

Uganda Investment for Industrial Transformation and Employment, USD 103.3m for the COVID emergency response project;

Twenty six (26) monitoring activities for eternally financed projects were conducted.

xxiv. Nominated Six Climate financed projects, two reports on climate change financing initiatives prepared and published;

xxv. The Ministry put in place initiatives to improve public financial management and accountability. (Maintained IFMS interfaces with AIMS, PBS, NSSF, BoU, DMFAS, e-GP, URA among others) Developed a new chart of accounts in line with the NDPIII;

#### **Vote 108: National Planning Authority**

- i. All 176 LGDPs have been reviewed for quality integrations and alignment and fees provided to LGs for improvement
- ii. Reviewed 130 MDA strategic plans of which 106 have been approved 14 are under review and 50 MDAs have not yet submitted their plans
- iii. Produced 4 papers on Education on, social Good or Economic Good, Making Uganda the herb of Education in East Africa, a paper on the local
- iv. construction industry, and a paper on Presidential Initiative on Wealth and Job Creation
- v. Finalized the additional two NDP III programmes of Administration of Justice and Legislature
- vi. Reviewed the Second Draft of the Uganda Green Growth Financing Strategy as well as validating the final draft of the Uganda Green Growth
- vii. Monitoring Report 2020
- viii. Finalized and produced evaluation decentralization policy thematic reports with a road map leading to the finalization of the report prepared
- ix. Developed the Parish Development Model Results and Reporting framework to be part of the PDM guidelines to be issued by the MoLG as well as
- x. developing a Concept Note to assess PDM Implementation Readiness in at least 30parishes
- xi. Supported 19 prefeasibility and feasibility studies
- xii. Reviewed four loan proposals
- xiii. Coordinated the Targeted Review Mission for Uganda on 3 of 13 strategic bottlenecks, that is, Underdeveloped agriculture, Underdeveloped
- xiv. Infrastructure, nonresponsive civil service
- xv. Undertook study on the integration of Ethno Minorities in Uganda's development process in partnership with GIZ, Equal Opportunities
- xvi. Produced NDR FY2020.21 whose results informed the Government Annual Performance Report for FY2020.21
- xvii. Re roofed NPA House following the leaking roof

- xviii. Finalized and launched the NDP M and E system
- xix. Conducted engagements and validation meeting with 20 selected LGs for comments and buy in to support finalization of the NHRDP
- xx. Prepared the budget strategy for FY 2022.23
- xxi. Reprioritized all NDP III Programme Implementation Action Plans

### **Vote: 123 National Lotteries and Gaming Regulatory Board**

Major Achievements in 2021/22

#### **Programme 07: Private Sector**

In the first half of the FY 2021/22, the Board executed the following;

- i. 53 licenses issued to 33 companies upon fulfilment of licensing requirements
- ii. 294 illegal and unregistered gaming equipment confiscated country wide to curb illegal gaming operations, protect the vulnerable and minors.

#### **Programme 15: Community mobilization and mind-set change**

- i. 04 Benchmarks undertaken ( Uganda Breweries Ltd and Nile Breweries Ltd) on Responsible drinking
- ii. 02 Responsible Gaming Stakeholder engagement meetings held (Interfaced with Butabika Hospital on how to counsel and treat problem gamblers and a consultative meeting with UNBS to fast track the development and approval of gaming standards)

#### **Programme 11: Digital transformation**

- i. Development of the e-licensing system commenced. Integration test with NIRA and URSB was successful. Awaiting to complete the same process with URA.
- ii. Commenced the implementation of the National Central Electronic Monitoring System which is expected to improve compliance among gaming operators, increase revenue collection and promote responsible gaming.

#### **Programme 18: Development Implementation Plan**

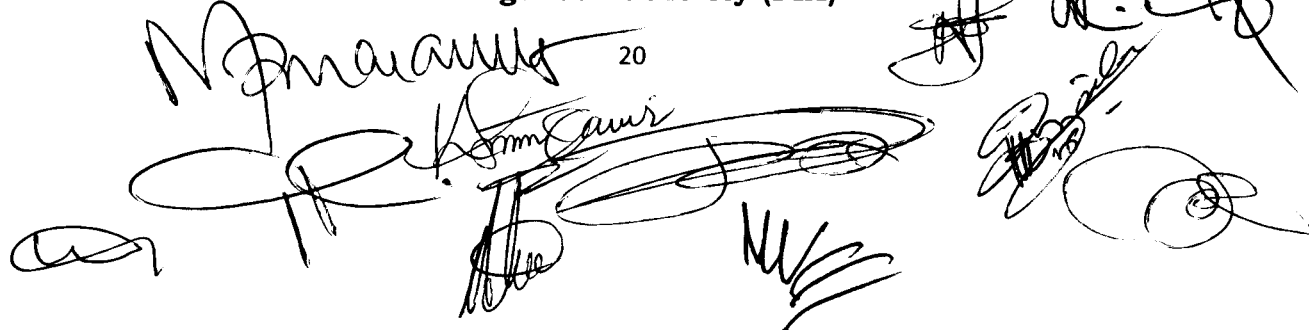
- i. USHS **43.5 Billion** has so far been collected from the sector. The initial projection for FY 2021/2022 was USHS **50.6 Billion**.

#### **Programme 15: Security and Governance**

- i. During the half year FY 2021/22, ten (10) disputes were received and five (5) resolved. The process for resolving five disputes is on-going.

#### **VOTE: 129 Financial Intelligence Authority (FIA)**

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- i) Enhancing the identification of proceeds of crime (US\$ 0.18 billion). 6,242 reports were received via the goAML platform from various accountable persons relating to different transaction reports. Several risk assessments with an objective of understanding money laundering and terrorism financing related risks emerging vulnerabilities and trends and methods used by criminals to launder proceeds of crime were undertaken. The National ML and or TF Risk Assessment draft report was completed by the NRA Assessment Team. The draft report was shared with FIA Top Management NRA Working Groups and the World Bank for their comments.
- ii) Increasing compliance with the AML and or CFT laws (US\$ 0.57 million). 4 onsite inspections and 10 compliance spot checks were carried out on accountable persons to assess their compliance i.e. 6 in the Western 1 in Eastern and 3 in Northern regions. In the same period 6 follow-up and thematic inspection reports were prepared and shared with the respective accountable persons. 321 accountable persons were also registered 360 certificates of registration issued and 175 accountable persons requested for their certificates to be certified during the period under review. This brings the total number of accountable persons registered to 1801 and certificates issued to 1651.
- iii) Improving collection and dissemination of information to Competent Authorities (US\$ 3.17 billion). During the period under review FIA received 1266 suspicious transaction reports 182 suspicious activity reports and 2040 large cash transaction reports. The reports were analysed and 33 of them materialized into generation of 33 intelligence reports that were disseminated to law enforcement agencies and competent authorities for further management. In addition during the period under review FIA received 54 requests for information from different LEAs and competent authorities and responded to 53 of them by the end of half year.
- iv) Strengthening international cooperation (US\$ 70 million). Request for Re rating. Uganda submitted its 7<sup>th</sup> Follow-up Report together with a request for technical compliance rating on Recommendations 2 and 14 to the Financial Action Task Force. Based on the information provided the Task Force upgraded the ratings of Recommendations 2 and 14 to Largely

Compliant.

- v) Increasing public awareness and understanding of matters related to money laundering and terrorism financing (UShs 5 million). In order to increase public awareness and understanding of ML and or TF matters FIA participated in 6 awareness engagements with the aim of improving public awareness and understanding of ML and or TF matters across all categories of the population that include men women youth and elder persons.
- vi) Conducting financial due diligence (UShs 180 million). FIA received 5 requests for conducting financial and integrity due diligence from MoFPED on companies that wished to partner with Government of Uganda on certain projects. The requests were completed and the respective reports produced.
- vii) Enhancing the efficiency and effectiveness of FIA to execute its mandate (UShs 4 billion). During the period under review the FIA received a total of UShs 10.121 Billion which accounts for 59.1 percent of the approved Annual Budget of UShs 17.133 Billion. By the end of half year UShs 8.65 billion was spent representing 85.5 percent of the total release. During the same period 4 Members of the new and 3rd FIA Board that included 3 men and 1 woman were sworn in and 2 new staff i.e. 1 male and 1 female were recruited.

#### **Vote 130: Treasury**

- i) Processed 605 Withdrawal applications that were submitted by projects during the period. These included the online disbursement applications to IFAD & World Bank using Client Connection web.
- ii) The projections for External and Domestic debt due were prepared and reconciled with creditors.
- iii) Payment of principal, interest, commissions and other costs related to external borrowing was processed as and when it fell due without incurring any penalties to Government of Uganda.
- iv) Availed resources amounting to **UShs 55.7bn** to respond to the Covid-19 pandemic and other emergencies under the Contingencies Fund
- v) Prepared Financial Statements for Treasury Operations Vote 130 and the Contingencies Fund for the FY ended 30<sup>th</sup> June, 2021 and statutory Audit supported for the year ended.
- vi) The Debt Management and Financial Analysis System was updated with 11 new loans contracted during the period amounting to approx. UShs

3.9tn and 4 grants, issuances of domestic debt, loan and grants disbursements, Treasury bills and Bond Costs and repayment of maturing debt to facilitate production of reports.

**Vote 131 Office of the Auditor General.**

As per the Programmatic approach instituted by the NDP III, the office adopted two Sub – sub Programmes namely; External Audit Services and Support to Audit services.

The half year performance for FY 2021/22 is highlighted below:

- i) **External Audit Services.** The Shared overall Risk Assessment for 2021 determined that the Office has a total population of 17,026 audits. This comprises of: 391 MDAs, Statutory Corporations, Projects and Funds; 190 Higher Local Governments (HLGs); 1662 Lower Local Governments (LLGs); 14,590 schools and Tertiary Institutions; 66 Value for Money Audits; 10 Information Technology Audits; 13 Engineering Audits; 71 Forensic Investigation; 15 Public Private Partnerships; 13 Classified Audits, 3 Treasury memoranda audits and 2 International/regional Audits. Of this, the office originally planned to undertake 2969 audits however this number was subsequently revised to 4145 following the inclusion of backlog audits.
- ii) Compilation with statutory reporting requirements through timely production of external reports for example; Budget framework paper FY 2021/22, periodic financial statements Quarterly internal audit reports, budget performance progress reports and monthly procurement and Disposal reports among others.
- iii) The Office has continued to give Parliament, particularly the oversight committees, technical support in the discussion of audit reports, preparation of audit report briefs and production of reports on the findings in the annual report of the AG. The office also conducted sensitization sessions for the Parliamentary committees of Finance, Budget as well as the committee on Natural Resources.
- iv) Implementation of the Integrated Management Information System is on – going. The first phase of project implementation related to hardware delivery and installation (phase 0) was completed. The next phase involving development of 3 modules is on – going and is expected to be completed during this Financial Year. In addition, an Independent Quality Assurance provider was procured and Change Management activities are on – going.

- v) 5 .In line with commitment to enhanced stakeholder engagement, the Office has: Developed a Citizen Feedback Application with the support of GIZ; conducted training sessions with the media and Civil Society Organisations; and participated in public outreaches during the annual Anti-Corruption commemoration week activities. As part of the tripartite collaboration with IG and PPDA, Joint stakeholder engagements were undertaken, also with the support of GIZ.
- vi) Development of the EU funded - ART shared platform under REAP had been finalized and is awaiting roll out expected later this Financial Year. Currently customization of the system is on – going and this will enable the piloting phase to be implemented by the OAG.
- vii) Through collaborative efforts, the office has utilized synergies with other oversight/investigations agencies namely; PPDA and IG, to improve capacity to effectively promote public accountability. Several joint stakeholder engagements have been undertaken under this collaboration.
- viii) In a bid to enhance stakeholder utilization of audit results, the office is taking lead in implementing the following initiatives:
- ix) Developing a Shared Platform on Follow Up of Audit Recommendations
- x) Undertaking a study on Enhancing Downward Accountability, this to enhance government's downward accountability systems to citizen.
- xi) Under the new Programme arrangement, the Office has been represented at 4 meetings/workshops under the Governance and Security Programme as well as 2 meetings under the Development Plan Implementation programme.

**Vote 138: Uganda Investment Authority (UIA)**

- i. Investment land bank mobilisation. Over 8.5 Sq. Miles of land mobilised in Nebbi, Madi-Okollo, Yumbe, Pader, Dokolo, Oyam, Lira, Mbarara, Kabale, Butambala, Rukungiri, Kisoro, Kabarole and Nakasongola among others;
- ii. Unlocked more than USD5Bn worth of investments in strategic economic sectors, USD400M of domestic investment generated through various capacity building interventions;
- iii. Improved efficiency in functionality of the One Stop Centre with licences issued in less than 48 hours;

- iv. 48 companies provided with after-care services ranging from tax exemptions, waivers, free-zones among others;

**VOTE 140: Capital Markets Authority**

- i. Offer of MTN shares was opened up to the public and closed on 22nd November. Trading of the shares commenced on 6th December at the USE. The MTN listing has increased the domestic market capitalization at the USE by USHS 4.6 trillion.
- ii. Public education activities have been severely disrupted by the lockdown and limited funding available. In spite of the above, a total of 555,281 potential investors were reached out to during H1 2021/22. CMA partnered with NSSF to host monthly webinars and these centered on different topics like Intergenerational Wealth and Legacy Planning. These webinars reached out to an audience of 361,365 potential investors through Zoom, Facebook, Smart TV and Twitter.
- iii. The total Assets under Management (AUM) of CIS managers increased from USHS 498.7 billion at the end of December 2020, to USHS 940 billion at the end of December 2021.

**Vote 141: Uganda Revenue Authority**

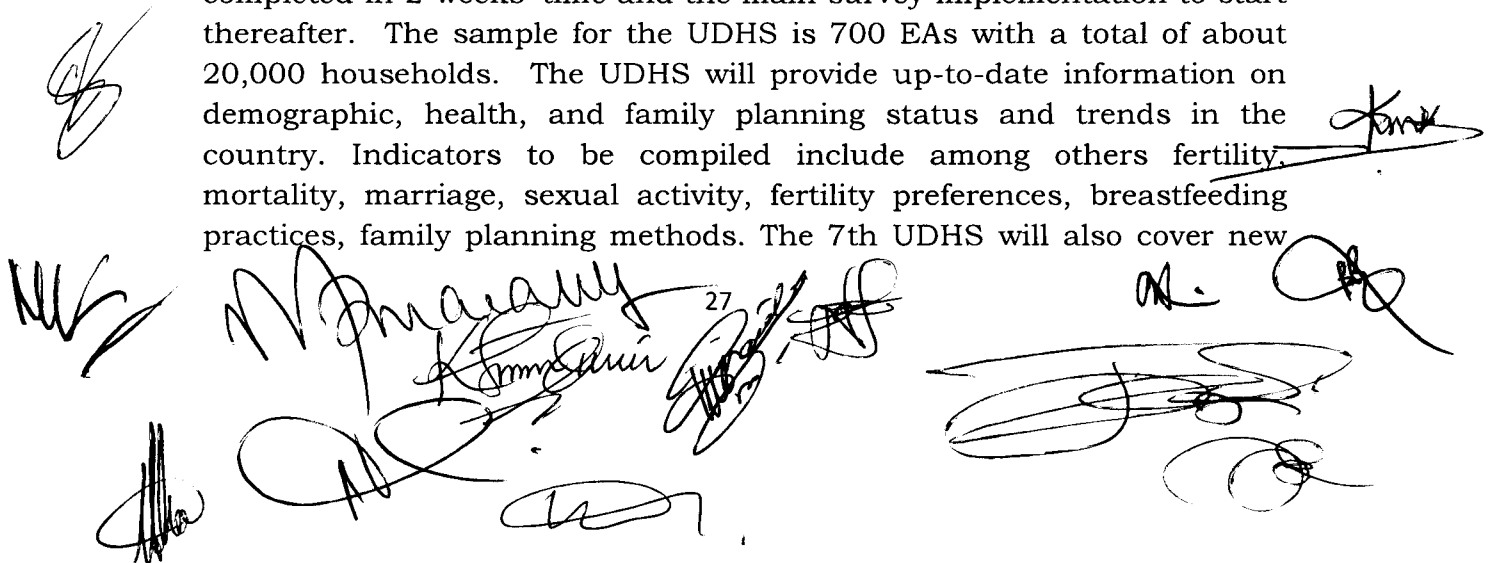
- i. URA collected net revenue (gross revenue less refunds) of USHS 10,163.09Bn against a half year target of USHS 11,063.90Bn with a shortfall of USHS 900.81 Bn.
- ii. There was a growth of revenue USHS 690.61 Bn (7.29%) and a performance of 91.86 % was realised.
- iii. Total Domestic revenue collections during the first half of the FY 2021/22 were USHS 6,299.62 billion against a target of USHS 7,180.62 billion.
- iv. The domestic revenue collections realized during the period July to December represent 42.97 percent of the annual domestic revenue target.
- v. Customs tax collections were USHS 4,076.18Bn against target of USHS 4,102.51 Bn posting shortfall of USHS 26.33 Bn. Revenue growth USHS 389.78 Bn (10.57%), Achieved 99.36%.
- vi. 182,592 new taxpayers were added onto the register representing a growth of 10.24 percent.
- vii. The average filing ratio was 82.54 percent (PAYE 81.23 percent, VAT 83.84 percent) against a target of 89.90 (PAYE 89.90 percent, VAT 89.90 percent)
- viii. Post clearance audits assessed USHS 44.41 billion of which USHS 26.99 billion was agreed leading to an audit yield of 60.77 percent.

- ix. 3,860 seizures were executed which led to a recovery of USHS 47.14 billion
- x. Debt Collection Unit (DCU) recovered USHS54.56Bn against target of USHS 40.00 Bn
- xi. 85.96 percent of the cases were won and settled in URA's favour against a set target of 75.00 percent resulting into a performance of 114.61 percent.
- xii. A total of 57 Judgements/Rulings were received, of these 49 cases were decided in favour of URA; 7 cases were decided in favour of taxpayers; and 1 split decision.
- xiii. 103 investigations were completed with recoverable revenue worth USHS 48.58 Bn.

#### **Vote 143: Uganda Bureau of Statistics**

- i. The Bureau compiled and published the annual GDP estimates for FY 2020/2021 where the size of the economy is estimated to have expanded by 3.4 percent during the year, up from the 3.0 percent (revised) in FY2019/2020. The size of the economy increased in nominal terms to USHS147, 962 Billion compared to USHS139, 689 registered in FY2019/20. At an average exchange rate of USHS3,659 this translates to US\$40.347 Billion
- ii. Report on the Quarterly GDP for the 1<sup>st</sup> quarter of FY2021/22 showed that the economy registered a growth of 3.8 percent in Q1 of FY2021/22 compared to the decline in growth of 0.8 percent in Q1 of FY2020/21.
- iii. Report on annual formal trade in goods statistics for the entire CY2021 with total Formal International Merchandise Trade valued at USD 14.82Bn, of which USD 5.029Bn were Exports and USD 9.7Bn were Imports
- iv. Report on Government Revenue and Expenditures Statistics for Q2 FY 2021/2022 that fed into the compilation of the QGDP.
- v. Report on weekly and monthly Consumer Price Index (CPI) for all the first nine months in FY2021/22. In the recent report, the Annual Headline Inflation for the year ending March 2022 stood at 3.7 percent compared to 3.2 percent for the year ended February 2022
- vi. Report on Residential Property Price Index (RPPI) for Greater Kampala Metropolitan Area (GKMA) covering Kampala district and urban areas of Wakiso district for quarter Q3 2021/2022. The recent report showed that Year – on – Year quarterly changes, the RPPI for the quarter Q3 2021/2022 registered a 5.8 percent drop in prices of Residential Properties compared to the 4.5 percent decrease recorded in Q2 2021/2022
- vii. Report on the Producer Price Index for Manufacturing and Utilities, the Producer Price Index for Hotels & Restaurants, and the Construction

- Sector Index up to February 2022.
- viii. Reports of the seventh round of the high frequency phone survey were finalized and the Bureau is concluding a contract with the World Bank for additional 6 rounds of the survey.
  - ix. The Bureau continued with the implementation of the Uganda Harmonized Integrated Survey (UHS) integrating the activities of Uganda National Panel Survey (UNPS), and the Annual Agricultural Survey (AAS) with support from WB, FAO and GOU. The UNPS is a longitudinal survey with a sample of approx. 6,000 agricultural and non-agricultural households while AAS is a cross sectional survey with about 3,000 households.
  - x. The Bureau continued with the conduct of the fifth National Service Delivery Survey. The NSDS V is aimed at among others providing up-to-date information on performance and impact of selected public services at national and local government's levels. The sample of 10,800 for the NSDS sample is representative of 25 sub regions (strata) including new cities and Hard-to-Reach places as defined by the Ministry of Public Service
  - xi. Report on the Gender Based Violence /Sexual Reproductive Health (GBV/SRHR) for the districts of Kasere, Amudat, Kitgum, Kyegegwa, Madi-Okollo, Obongi, Bukwo, Kween, Abim, Amuru, and Kapchorwa. Report validation is ongoing for the three districts of Tororo, Arua and Kampala
  - xii. Discussions on the conduct of a Comprehensive Census of all education (BEC) institutions in Uganda have resumed and a new timeline is yet to be agreed upon.
  - xiii. The Bureau conducted the National Livestock Census. Enumeration exercises started on the 24th of May 2021 and ended on 8th June 2021 in 135 districts that were in operation as of June 2019 in Uganda. Storage and Data processing of questionnaires is being undertaken at the UBOS Entebbe Offices. Data processing of EA summary forms was concluded and the data is currently being validated. Main data capture for the livestock census returns will commence in April 2022.
  - xiv. The Bureau resumed the implementation of the 7th round of UDHS in 2021, with training of 120 Field Interviewers following a previous training which lasted two weeks. The training is expected to be completed in 2 weeks' time and the main survey implementation to start thereafter. The sample for the UDHS is 700 EAs with a total of about 20,000 households. The UDHS will provide up-to-date information on demographic, health, and family planning status and trends in the country. Indicators to be compiled include among others fertility, mortality, marriage, sexual activity, fertility preferences, breastfeeding practices, family planning methods. The 7th UDHS will also cover new



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areas including testing for water quality. The UDHS is being supported by UNICEF, UNFPA, USAID and WHO.

- xv. The National Labour Force Survey with a sample of 1100 Enumeration Areas and a target of 11,000 households was completed and estimates are to be generated for each of the fifteen sub regions. The survey was funded by the European Union and during the period data processing and the report writing continued for the national Labour Force Survey
- xvi. Prior to any budgeting cycle, the Bureau is required to provide Indicative
- xvii. Planning Figures (IPF) to guide resource allocation to the higher and lower local governments. The indicators include population, infant mortality rate, poverty estimates and land area. The IPFs were provided with projected population estimates based on the 2014 national Population & Housing Census showing the projected population for mid-2022 as 44,212,800million persons. Poverty estimates were from the 2019/2020 Uganda National Household survey, Infant mortality based on the 2016 Uganda Demographic and Health survey and land area estimates also provided
- xviii. The Bureau embarked on the implementation of the Uganda Business Inquiry with funding from GOU. A total of 20,000 businesses have been sampled for both the formal and informal sector and the questionnaires cover the sectors of Agriculture, Mining & Quarrying, Construction, Utilities, Telecommunications, Hotels & Restaurants, Finance & Insurance, Education, Health, NGOs, Trade, Other Services, and Manufacturing. The informal sector is being covered using area based sampling designs similar to the ones used for the Household based surveys. Data collection for the UBI commenced and still ongoing. Publicity campaigns have been undertaken using the print media, Talk shows and radio announcements.
- xix. The Bureau continued with preparations for the 2023 National Population and Housing Census with the commencement of the census mapping activities. The mapping exercise involves updating administrative area units up to enumeration area level, listing of households within each enumeration area and obtaining coordinates of socio economic facilities. Other data collected includes occupation (Activity type), Telephone and NIN Number of head of household. To-date, the districts of Butambala, Luuka, Nakasongola and Namayingo have been completed. Kampala district has been partially covered and a review of the census mapping strategy is underway to ensure that work is completed during the first quarter of 2023



- xx. Population and Housing Censuses are the main source of demographic and socio-economic data in Uganda, necessary for policy formulation and implementation, monitoring and evaluation of national development programmes. The overall objective of the NPHC 2023 census is to maintain approximate decennial censuses and ensure availability of time series population and associated statistical information at various administrative levels in the country. During the quarter, management prepared and submitted a Cabinet Memorandum on census implementation to Ministry of Finance, Planning and Economic Development. A corresponding budget was also submitted and presented to top management of MoFPED.

**Vote 149: National Population Council**

- i) **The Demographic Dividend Roadmap 2018.** The NPC reviewed and updated the Demographic Dividend (DD) Roadmap 2018. The Roadmap specifies key strategic investments that should be made for Uganda to harness the DD based on DD key result areas. The updating of the DD Roadmap achieved the following; alignment of the DD roadmap to Uganda's third National Development Plan (NDP III), integration of emerging population and development challenges in the DD Roadmap, and identification of critical interventions and targets for integration in the DD Roadmap.
- ii) **Multi-sectoral National DD Steering Committee.** NPC constituted a multi-sectoral National DD Steering Committee whose primary focus is aligned to the country's overarching framework of transforming the nation from a predominantly peasant to a modern and prosperous economy. The committee is composed of 15 members drawn from different institutions that include; NPC, National Planning Authority (NPA), Uganda Bureau of Statistics (UBOS), Makerere University, Ministry of Education and Sports (MoES), Ministry of Local Government (MoLG), Private Sector Foundation Uganda (PSFU), Civil Society Budget Advocacy Group (CSBAG), Office of the Prime Minister (OPM), UNFPA, Ministry of Gender, Labour and Social Development (MGLSD), European Union and Netherlands Embassy.
- iii) NPC organized three (3) quarterly Multisectoral National DD Steering Committee meetings. During the meetings, the members were oriented on the Population Development Situational Analysis (PDSA) approach to integrating population and development issues in development plans; The Terms of Reference (ToR) of the National DD Steering committee were approved and the committee discussed

DD priorities in NDP III and guide how these can inform finalisation of Programme Implementation Action Plans (PIAPs).

- iv) **Family Planning Costed Implementation Plans.** The NPC assessed 12 districts of Abim, Amudat, Bukedea, Katakwi, Kibuku, Kotido, Lira, Moroto, Nakapiripirit, Napak, Ngora, and Tororo on the implementation of the District Family Planning Costed Implementation Plans. Findings indicated that most districts were doing well on demand creation but had challenges with service delivery and access. Besides, the assessment revealed that most of the implementation was donor supported.
- v) **Advocacy for Family Planning 2020 Commitments.** The National Population Council (NPC) partnered with Performance Monitoring for Action (PMA), Makerere University School of Public Health (MakSPH), the USAID Uganda Family Planning Activity (FPA) and the Ministry of Health (MoH) and organized regional meetings to support dissemination of the research findings of the PMA Survey, and their implications in the districts in the Bunyoro, Rwenzori and South Buganda sub-regions. The role of family planning in harnessing Uganda's Demographic Dividend was discussed. Findings on the Gender, Youth and Social Inclusion study and the PMA survey were disseminated. The findings from the PMA survey revealed an increase in modern contraceptive prevalence rate while the Gender, Youth and Social Inclusion study revealed different perceptions that affect harnessing the full potential of women and young people in different regions. Further, actionable commitments were generated at regional level to address key issues in line with harnessing the DD.
- vi) **Integration of DD Interventions.** The NPC strengthened the capacity of sectors and key stakeholders at national level to integrate DD interventions in their plans. The National Population Council held a virtual meeting where the capacity of 54 actors (43 CSOs and 11 Private Sector). A total of 72 officers (29 females, 43 males) were trained on how to integrate DD interventions in their development plans.

- vii) **District Multi-sectoral DD Working Groups.** The National Population Council established 9 district Multisectoral DD Working Groups in the districts of Kabale, Kagadi, Kanungu, Kibaale, Kiboga, Mityana, Mubende, Nakasongola, and Rukungiri. The DD WGs developed action plans specifying DD issues and

interventions to address them. These groups helped NPC in the coordination and advocacy for the Demographic Dividend integration in the different Departmental, Budgets and Annual Work Plans. At the sub national level, National Population Council held 1 training for four (4) youth groups in Buyende district where 66 youths were oriented in interventions for harnessing the DD (24 were female while 42 were male.)

- viii) **Partnership to address Teenage Pregnancy in Schools.** At the national level, 32 youth led organizations were oriented on integration of DD interventions in their plans. The youth led and youth serving organisations engaged include Reach A Hand Uganda (RAHU), Uganda Youth Alliance for Family Planning and Adolescent Health (UYAFPAH), Path 4 Health Uganda, Uganda Youth and Adolescents Health Forum (UYAHF), Public Health Ambassadors Uganda (PHAU), Uganda Young Positives, Uganda Youth Development Link, Naguru Teenage Information and Health Center (NTIHC), Kafeero Foundation, Smart Girls Foundation Uganda, Girls Initiative, Ngabo Youth Friendly Service Centre (NYSC), Youth Link Initiative, SPAN Advocacy for Rights of Vulnerable Youth Uganda (ADRIVUYO), Bridge Builders Uganda, Uganda Youth Skills Training Organisation, Action for Youth with Disabilities Uganda, Youth Adult Empowerment Initiative (YEI), Youth Equality Center (YEC), International Association of Students in Economics and Business (AIESEC), Sexual Reproductive Health and Rights (SRHR) Alliance Uganda, 40 Days over 40 Smiles Foundation, Driving Change Youth Initiative, Youth Line Forum, Women and Girl Child Development Association (WEGCDA), The Hangout Foundation, Topowa Youth Mentoring Organization, Global Support Development Initiative, Young Adult Empowerment Initiative, and Uganda Youth Network and African Youth Development Link.

- ix) **Partnership with Cultural and Religious Leaders.** NPC seeks to strengthen the capacity of cultural and religious leaders to promote interventions for harnessing the DD. NPC, in partnership with Reproductive Health Uganda (RHU) oriented 50 leaders from Lango Cultural Foundation on the importance of family planning in harnessing the DD. The cultural leaders made resolutions in support of FP and harnessing the DD, which were signed by the Paramount Chief. The resolutions included total involvement of cultural leaders, religious leaders and political leaders to champion family planning services and reduction of teenage pregnancy in the region, conducting community hearing and engagement to discuss

ways to reduce teenage pregnancy and increased contraceptive use at all levels, etc.

- x) The Council conducted 1 monitoring visit to assess the progress in implementation of the resolutions. During the visit, NPC assessed progress in implementation of the resolutions and discussed challenges affecting implementation the resolutions with Lango Cultural leaders. In addition, possible solutions to the identified challenges and strategies for better implementation of the resolutions were discussed. The Cultural Foundation integrated interventions for harnessing the DD in their strategic plan for 2021-2025. It was agreed that an orientation for the clan heads on interventions for harnessing the DD be conducted.
- xi) **Parish Level Engagement on Key DD Issues.** NPC envisions that sustainable teen pregnancy, early marriages, school dropout and poverty prevention initiatives can be anchored in a community when its leaders ("grass tops"), its citizens ("grass roots"), and its youth are fully engaged in mobilizing the community; educating stakeholders; implementing evidence-based interventions; increasing access to youth-friendly; contraceptive and reproductive health care and empowering communities to participate in income generating activities. As such, NPC held meetings with Parish Development Committees from 16 parishes at sub county headquarters of Bukooma, Ikumbya and Nawampiti. The main objective of the meetings was to orient the parish leaders on the Demographic Dividend and build a critical mass of community leaders able to promote interventions for harnessing the DD at community level. A total of 275 parish leaders (189 male and 86 female) from 16 Parish Development Committees were oriented on the benefits of having a healthy, well educated, skilled, innovative and productive population.

As a result of the meeting, the impact of population on development was discussed and parish leaders identified solutions to the challenges facing their local governments. These were merged into action plans to be implemented in each of the parishes.

- xii) **Demographic Dividend (DD) Advocacy Materials.** National Population Council in collaboration with Population Reference Bureau developed Demographic Dividend (DD) materials to facilitate advocacy efforts for integration of priority DD interventions in

national and District Annual Work Plans and budgets. The materials were used to create awareness among the policy and decision makers on the importance of changing Uganda's population age structure to accelerate economic development hence harnessing the Demographic Dividend and, to ensure that population dynamics are key components of the development policy framework. The materials included, a DD video, a national DD fact sheet and district DD fact sheets. National Population Council organized five district advocacy meetings to disseminate these materials and advocate for prioritization and integration of DD priorities in the District Development Plans. The five districts were Agago, Bulambuli, Kasese, Lwengo and Tororo.

- xiii) **Demographic Dividend Champions.** NPC selected 15 champions from the districts of Bugiri, Iganga, Kaliro, Kamuli and Luuka in Busoga sub region to advocate for key policies and programmes that will enhance acceleration of harnessing the DD. The agreed upon issues to be addressed by champions include among others; teenage pregnancy, child marriages, family planning, male involvement in reproductive health and, maternal and child health. This is in recognition of the key role of champions in influencing policies, cultural norms, practices, and bylaws to address population and development issues. Champions are a link between government and communities, they are voices to the voiceless. The main criteria for selection of DD champions were: 1 member of District Executive Committee (DEC), a key religious leader and one cultural leader and, passionate about Demographic Dividend issues. Other criteria were leaders who can influence policies/change, who can engage in different high-level meetings like Uganda Local Government Association (ULGA) and DEC meetings, and Leaders who can articulate key Demographic Dividend issues.

- xiv) **The National Population, Health and Environment Network Strategic Plan.** The Department of Monitoring and Evaluation is coordinating the implementation of the National Population Health and Environment Approach in Uganda during the FY, the following outputs were achieved.

NPC reviewed and finalizes the development of the National PHE Network Strategic Plan to incorporate emerging NPC arrangement, National PHE network concerns, international and regional protocols and agreements and national policies such as the NDP III. The PHE Strategic Plan will guide all stakeholders implementing in

the areas of Population Health and Environment. Currently a draft copy of the PHE Strategic Plan is in place.

- xv) **The National PHE Network Training Manual.** A zero draft of the National PHE Network training manual was developed. The draft manual aids in ensuring that all PHE Implementing Partners (IPs) have a standard guiding tool that ensures a standard minimum package of trainings, services and products are provided. For example, energy saving stove models across the country.
- xvi) **Orientation of PHE Districts.** The National Population Council conducted orientation meetings in five Districts of Bundibugyo, Gomba, Kibaale and Kyenjojo. A total of 35 key District Heads of Departments (HoDs) from Health, Population, Education, Environment, Agriculture, Production and Community were inducted on the Population Health and Environment Approach.

**Table 4: District Orientation Meetings**

No	District	Participants		Total
		Female	Male	
1	Bundibugyo	3	5	8
2	Gomba	3	5	8
3	Kibaale	2	4	6
4	Kyenjojo	2	4	6
5	Omoro	3	4	7
	<b>Total</b>	<b>13</b>	<b>22</b>	<b>35</b>

- xvii) **Distribution of Tree Seedlings to PHE Champions.** National Population Council supported the PHE Model Champions in Kiboga and Hoima Districts with 5,136 trees. This included: Lemon, Oranges, Gravelier, Mangoes, Eucalyptus, Avocados, caridullar and Lemon. The major objective of this activity was to support the PHE champions in improving their environment through planting trees within their community. Fruit trees were among the trees distributed.

- xviii) **The Demographic Dividend Roadmap 2018.** The NPC reviewed and updated the Demographic Dividend (DD) Roadmap 2018. The Roadmap specifies key strategic investments that should be made for Uganda to harness the DD based on DD key result areas. The

updating of the DD Roadmap achieved the following; alignment of the DD roadmap to Uganda's third National Development Plan (NDP III), integration of emerging population and development challenges in the DD Roadmap, and identification of critical interventions and targets for integration in the DD Roadmap.

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- xxvi) **National Food and Agriculture Statistical System (NFASS).** The Bench marking visit to MAAIF was to specifically learn about the operations and functionality of the National Food and Agriculture Statistical System (NFASS). The team learnt that the NFASS has a well-built structure for collecting, storing and analysing agricultural data, the NFASS database is divided into three components; the main database, the primary data section and the section on secondary data from the line Departments and Agencies. The primary data collection is undertaken using the NFASS mobile App and by Parish Chiefs. The NFASS is hosted by NITA-U and has a whole server system to ensure that it runs properly and in a secure way.

**Vote 141: Public Procurement and Disposal Of Public Assets (PPDA)**

- i. The average number of bids received regardless of the method of procurement was approximately 3 bids which is attributed to the spill over effects of COVID 19 which affected the capacity of bidders to meaningfully participate in public procurement.
- ii. The proportion of contracts that was awarded through open competition stood at 69 percent by value and 20 percent by number.
- iii. The total number of contracts awarded to local providers was 97percent. The number of contracts awarded to local providers remains high because the overwhelming number of procurements is small in value and done by local providers. However, in terms of value the proportion of contracts awarded to local providers is 74 percent. The lead time under open domestic bidding is 121 days

against an indicative timeline of 100 days. For Open International Bidding the lead-times is 416 days against an indicative timeline of 110days. The Authority is addressing these delays through regular monitoring and capacity building.

- iv. 62 percent of the number of contracts in all Ministries Departments Agencies and Local Governments were completed within contractual cost 77 percent of all the Entities that were audited were rated satisfactory 60 percent of the Contracts in Entities were completed as per contractual time with 57 percent of contract in Local government Entities being completed in time compared to 45 percent in Central Government Entities due to the complex nature of procurement executed by the Central Government Entities.
- v. PPDA completed 45 audits in PDEs (10 from Northern Uganda, 15 from Western Uganda, 15 from Headquarters and 5 from Eastern Region) Investigations into 37 complaints worth USHS 80 Billion to address irregularities in the procurement processes were conducted in PDEs. PPDA recommended corrective measures such as disciplinary action to the responsible staff in the PDEs. The investigations also revealed discrimination among providers and gross flouting of procurement procedures.
- vi. PPDA monitored the implementation of reservation schemes in public procurement aimed at increasing local participation in public procurement and produced a report on the benefits of the policy among which included reservation of tenders for management of markets to Vendors Associations which are dominated by women and youth. This improved the working conditions in markets and increased capacity utilization by manufacturer like NYTIL which employ many women and youth.
- vii. PPDA revised the standard bidding documents to mainstream environmental, social health and safety safeguards in public procurement and the revised standard bidding documents have been disseminated to all Entities. Regional sessions were undertaken in Gulu, Mbarara and Mbale to disseminate the guidelines.

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- viii. The Register of providers was upgraded to capture gender-disaggregated data on provider-ownership. During the period, 1096 new providers were registered while 1583 providers renewed their subscriptions. Of the new registrations, 245 providers were women-owned Enterprises.

- ix. The e-GP system was rolled out in 26 Entities (16 CG Entities, and 10 Local Governments). The system is expected to increase the efficiency of the procurement process, reduce discrimination increase bidder participation and transparency.
- x. PPDA handled ten applications for accreditation of alternative procurement procedures. The accreditation are used by Entities as an affirmative action where the prevailing conditions make it difficult to fully apply the PPDA act without affecting service delivery. One application was granted and 9 applications are still under consideration.
- xi. Training was conducted under supply and demand-driven arrangements targeting different stakeholders bringing the total number of participants trained during the period to 718 (296 women and 422 men). Trainings conducted in the period included: training of contracts committee members, training of CSOs, sector specific skilling of technical staff and demand driven trainings. The capacity building interventions targeted the poor performing Entities in the North and North Eastern Regions and training for women entrepreneurs on participation in public procurement in partnership with the Uganda Women Entrepreneurs, Association. Limited.
- xii. PPDA supported the operations of the three regional Offices of Eastern, Northern and western Region which has brought its services closer to the citizens. The regional Offices have resulted into closer monitoring of public procurement in the region and increased competition due to increased number of providers registered with PPDA and quicker resolution of procurement related complaints.
- xiii. The progress of the construction of the PPDA Office Block currently stands at 100%. The Office block houses both PPDA and URF and was designed with access for wheel chair users, voice commands for blind and provisions for a breast feeding room for nursing mothers. Project completion and handover took place in October 2021 and the contract is under the defects liability period of 1 year terminating in October 2022.

**Vote 161: Uganda Free-Zones Authority**

- i) The cumulative export earnings in Free Zones between quarter 1 and 2 stood at US\$35.85 million. Major exports included cut flowers, wheat

- flour, processed tobacco and sandalwood essential oils.
- ii) The actual capital investment of the Developers from Free Zones for the period of June to December 2021 stood at US\$ 262.6 million with 5,594 actual jobs were created.
  - iii) The construction of production unit I at Entebbe International Airport Free Zone was completed, production unit II works commenced and overall project completion was at 37.4% by December 2021.
  - iv) Four (4) licenses were issued to M/s Suntex ltd, M/s Abbarci ltd, M/s Royal Molases and M/s Wagagai mining Uganda ltd. This increased the total number of licensed Free Zones to thirty (30)
  - v) Seven (7) Developers and one (1) Operator License were renewed. These are; M/s China-Africa International Industrial Co-operation Company Limited, M/s Wagagai Limited and Jambo Roses Limited on 28th September 2021 and 9th August 2021 respectively, M/s Biyinzika Avocado Ltd, M/s Uganda Tobacco Services Ltd, M/s Premier Roses Ltd, M/s Rosebud Limited and M/s Thyma Herbs Ltd on 13th October 2021, 10th November 2021, 27th October 2021 and 8th October 2021 respectively
  - vi) The Annual performance report for FY2020/21 was prepared and published. The report illustrates the physical and financial performance of the Authority during the FY2020/21, challenges, recommendations and medium-term plans for the FY2021/22.
  - vii) Seventeen (17) prospective Free Zone sites were inspected and found suitable for Customs supervision activities
  - viii) Free Zones Enterprise Survey FY 2020/21 was conducted. Free Zones generated the following: Investment - US\$586.28M, Jobs - 8,389 & Exports US\$1.25Bn, Local Purchasing and Subcontracting costs US\$6.6M
  - ix) As part of the publicity drive, 40 adverts and 40 DJ mentions were aired on KFM Radio, 30 TV adverts on NTV and NBS. Additionally, NBS TV hosted the Authority on the Business Perspective Programme.

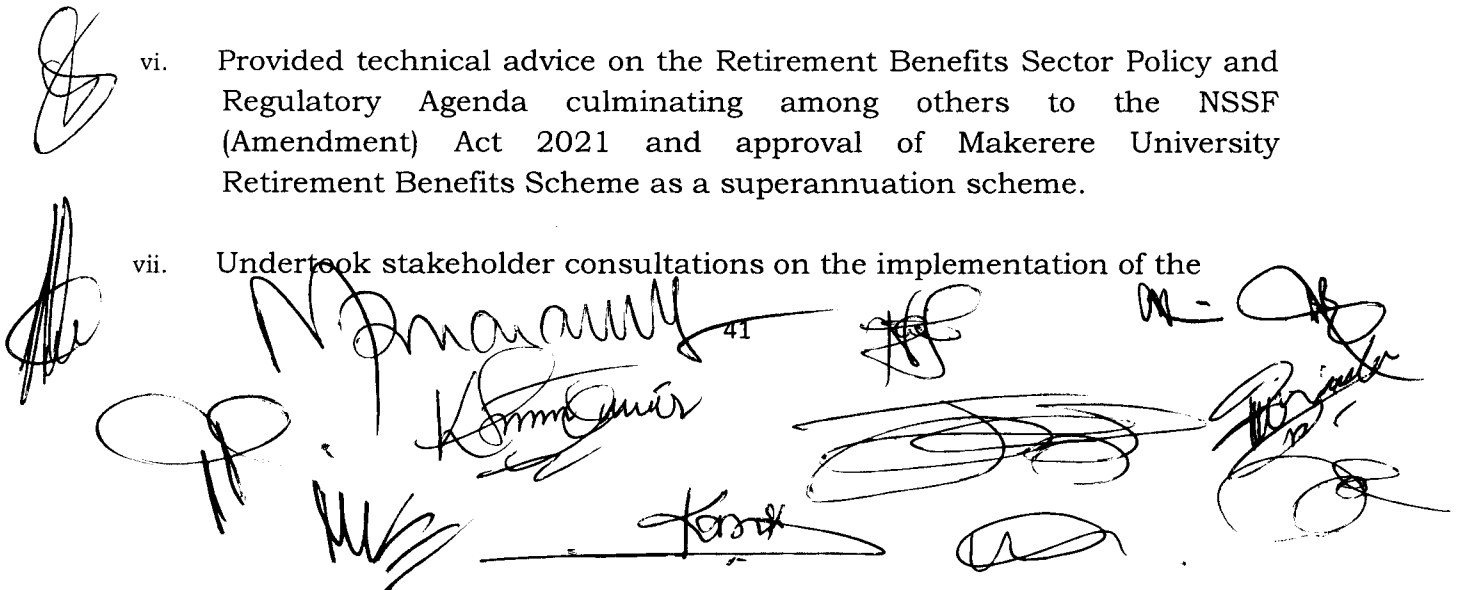
**Vote 162: Uganda Micro-Finance Regulatory Authority**

- i) On boarded 290 new institutions and were inspected
- ii) Identified 225 Tier 4 institutions in Kampala, Mukono and Wakiso operating with no licenses and were advised to legalise their businesses Inspected 121 branches after verification of head office compliance
- iii) Conducted media campaign at media centre which was captured on national wide TVs and Radios like NTV NBS, UBC SPARK smart 24 and Namiremberadio Liberty radio
- iv) 5 Virtual awareness campaign carried out on operations of the Authority
- v) Draft SHGs guidelines validated in 5 sub regions Ankole Eastern

- Northern Midwestern and Central Draft SHG guidelines developed
- vi) Issuance of SACCO Licensing criteria.
  - vii) Identified 46 SACCOs in Kampala Mukono and Wakiso operating with no licenses and advised to apply for license
  - viii) In-house staff training To ensure a smooth internal SACCO licensing process UMRA conducted a number of In-house trainings of staff Reviewed 615 Applications for licenses.
  - ix) Carried on-site premise inspections for 289 institutions
  - x) Complaints received 112 complaints at the Authority and resolved 71
  - xi) Licensed 600 institutions
  - xii) Registry updated regularly for all units
  - xiii) Risk management guidelines and Licensing manual were developed and approved by Board
  - xiv) 401 reports submitted from money lender, NDT and SACCOs were reviewed and a report was generated on the performance of the licensed institutions Data collected from 401 money lenders NDT and SACCOs analysed to assess the performance of the institution
  - xv) Quarterly reports prepared on licensing status and on performance of the Authority.

**VOTE 163: UGANDA RETIREMENTS BENEFITS REGULATORY AUTHORITY**

- i. Finalised the annual sector performance analysis and disseminated the 2020 Sector Performance report with 16.7% sector asset growth rate and 18% Coverage recorded during the period.
- ii. Issued the first regulatory circular on the implementation of the revamped Risk Based Supervision Framework.
- iii. Developed and commenced piloting of the interrogatories for the Risk Based Supervision System.
- iv. Undertook targeted onsite and offsite inspections (issued directives to 13 Schemes with reporting periods as of end June 2021).
- v. Developed Draft Amendments to existing regulations.
- vi. Provided technical advice on the Retirement Benefits Sector Policy and Regulatory Agenda culminating among others to the NSSF (Amendment) Act 2021 and approval of Makerere University Retirement Benefits Scheme as a superannuation scheme.
- vii. Undertook stakeholder consultations on the implementation of the

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blueprint for the National Micro Pension Scheme.

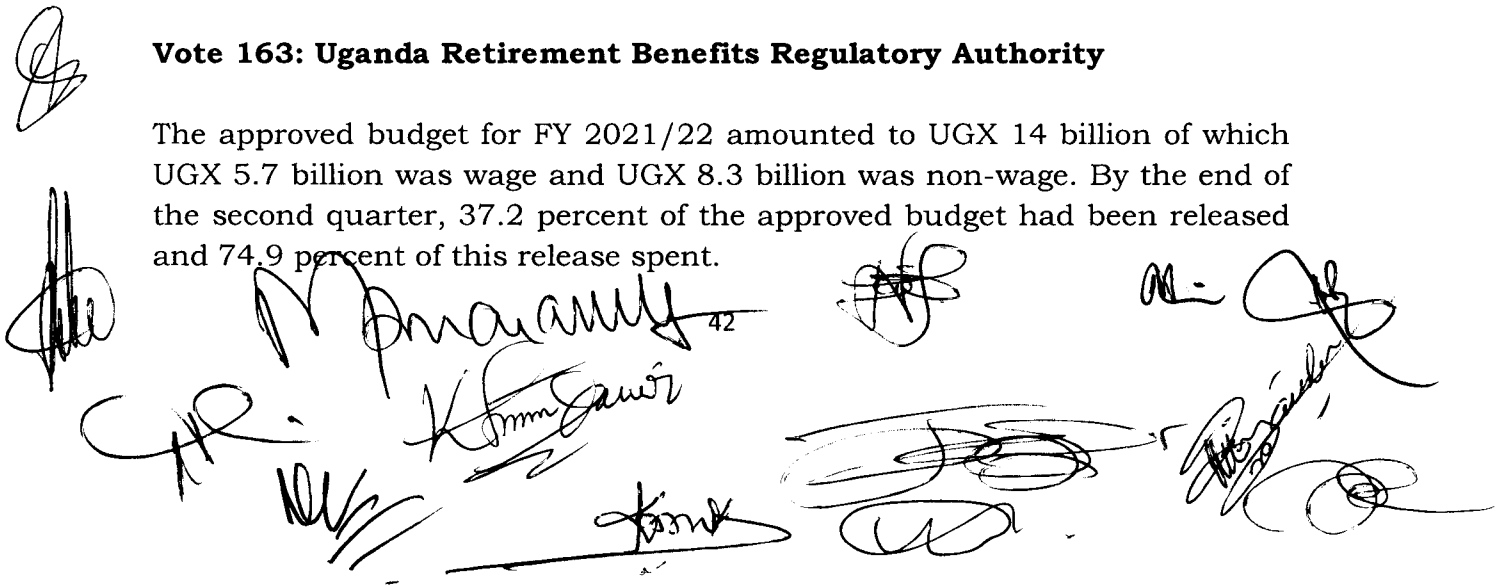
- viii. Implemented the Trustee Certification Program with 36 Trustees trained under the program.
- ix. Undertook Public Awareness and Education Campaigns (including 710 Radio Adverts and 180 TV adverts on NTV emphasizing the need for saving for retirement and over 25 published articles & opinions. 1195 stakeholders sensitized on the importance and avenues of saving for retirement and 194 Sector service providers on How to Keep Scheme Operational Costs Low among others).
- x. Trained 25 (8 female and 17 male) business journalists from 18 mainstream media houses on the peculiarities of the Retirement Benefits Sector with a view to enhance the quality of media coverage on the Sector.
- xi. Complaints Management (handled 82 complaints and resolved 42. 40 complaints were still undergoing resolution efforts as at the end of the Q2).
- xii. Collected USHS 8.2 Billion NTR recording a 109% performance against the FY target of USHS 7.55 Billion.
- xiii. Licensed Schemes and Service Providers to permit segregation of duties (Sector is currently comprised of 65 schemes and 10 Administrators 6 Fund Managers 5 Custodians 4 Corporate and 233 Individual Trustees).

#### **Vote 162: Uganda Microfinance Regulatory Authority (UMRA);**

The approved budget for FY 2021/22 amounted to UGX 7 billion of which UGX 2.17 billion was wage and UGX 4.8 billion was non-wage. By the end of the second quarter, 38.9 percent of the approved budget had been released and 92.1 percent of this release spent

#### **Vote 163: Uganda Retirement Benefits Regulatory Authority**

The approved budget for FY 2021/22 amounted to UGX 14 billion of which UGX 5.7 billion was wage and UGX 8.3 billion was non-wage. By the end of the second quarter, 37.2 percent of the approved budget had been released and 74.9 percent of this release spent.

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By the end of the first half of the financial year, procurement processes for consultancy services relating to the Risk Based Supervision System and the National Micro-Pension Scheme were still ongoing as well as the and pending remittance of the December 2021 Social Security contributions (planned for January, 2022 in Q3 FY2021/22).

### 3.0 Proposed Budget and Key Planned Activities for 2022/2023

#### Vote 008 Ministry of Finance, Planning & Economic Development

The proposed budget for FY 2022/23 amounts to UGX 2.57 trillion, a 228.59 percentage increment from the approved budget for FY 2021/22. This is on account of a 35.2 percentage increment in wage, an increment in the non-wage recurrent budget by UGX 1.76 trillion. The GoU development budget is estimated to increase by UGX 29.7 billion while the externally financed budget is projected to decline by UGX 13.7 billion during the next financial year.

The wage increment will cater for recruitment of staff, promotions and salary enhancement for scientists within the Ministry. The non-wage recurrent budget increment is on account of UGX 720.35 billion meant for capitalization of UNOC of which UGX 672.2 billion will cater for the EACOP. Under the Parish Development Model financial inclusion pillar, funds worth UGX 1.059 trillion have been provided under the Ministry for transfer to other government units.

**Table 16: Vote 008 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>Ministry of Finance, Planning &amp; Economic Development</b>					
Wage	6.87	9.30	35.2%		2.4
NWR	494.40	2,263.56	357.8%		1,769.2
Recurrent	501.27	2,272.85	353.4%		1,771.6
GoU	160.32	190.09	18.6%		29.8
Ext.Fin	113.07	99.32	-12.2%		(13.8)
Development	273.38	289.41	5.9%		16.0
Arrears	8.39	10.71	27.7%		2.3
<b>Total</b>	<b>783.04</b>	<b>2,572.97</b>	<b>228.6%</b>		<b>1,789.9</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations


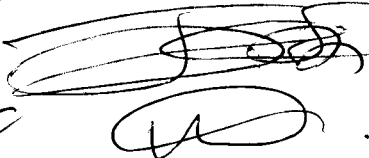


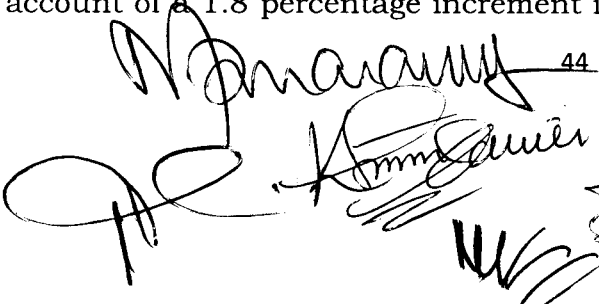

#### Key Planned Activities

1. Implementation of the Parish Development Model (PDM) Financial inclusion pillar – **UGX 1.061 trillion**. The ministry plans to disburse UGX 1.05 trillion and undertake quarterly monitoring of the PDM.
2. Capitalisation of Uganda National Oil Company (UNOC) – **UGX 720.35 billion**.  
In regard to the EACOP construction, UNOC plans to commence construction and secure Government equity – UGX 672.2 billion; Under the storage facilities and auxiliary terminals, UNOC plans to secure Government equity financing of 51% and undertake technical studies for the Kampala storage terminal; In regard to the Jinja storage terminal, UNOC plans to scale up bulk trading, engage potential financiers on the construction of the oil jetty and pipeline connecting the Jinja terminal to Lake Victoria; The work programme for Tilenga and Kingfisher projects will be executed; and UNOC plans to undertake technical studies for new exploration activities.
3. Capitalization of Institutions and Financing Schemes – **UGX 156 billion**  
Enhancing the liquidity of Uganda Development Bank (UDB) – UGX 85.5 billion;  
Government capitalization for the agricultural credit facility – UGX 50 billion;  
Government capitalization for Post Bank Uganda Limited – UGX 2.66 billion;  
Government subsidy for the Agricultural Insurance scheme – UGX 5 billion; and  
Government will contribution UGX 13.47 billion to international organizations (World bank, African Development Bank, Islamic Development Bank, Eastern and Southern Trade and Development Bank, USAID and Local contribution to UNDP)
4. Microfinance Support Centre services – **UGX 141.29 billion**  
MoFPED will transfer UGX 100 billion to the Microfinance Support Centre for EMYOOGA program and UGX 35.7 billion for on lending.
5. The Ministry will implement the Uganda Inter-Governmental Fiscal Transfer (UgIFT) Reform Programme – **UGX 97.5 billion**



#### **Vote 108 National Planning Authority**

The proposed budget for FY 2022/23 amounts to UGX 34.95 billion, a 4-percentage increment from the approved budget for FY 2021/22. This is on account of a 1.8 percentage increment in the non-wage recurrent budget by



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UGX 1.8 billion. The GoU development budget is estimated to decrease by UGX 0.47 billion during the next financial year.

The increment in the non-wage recurrent budget is planned to cater for the mid-term review of the NDP III, end evaluation of the NDP II reports, evaluation of development financing options and the National Development Report (NDR) which is meant to inform APEX reporting.

**Table 17: Vote 108 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	FY	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>National Planning Authority</b>						
Wage	8.91		<b>8.91</b>	0.0%		-
NWR	20.24		<b>22.09</b>	9.1%		1.9
<u>Recurrent</u>	<u>29.15</u>		<u>31.01</u>	<u>6.4%</u>		<u>1.9</u>
GoU	4.41		<b>3.95</b>	-10.6%		(0.5)
<u>Development</u>	<u>4.41</u>		<u>3.95</u>	<u>-10.6%</u>		<u>(0.5)</u>
<b>Total</b>	<b>33.57</b>		<b>34.95</b>	<b>4.1%</b>		<b>1.4</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

#### **1. Integrated Development Planning and Human capital – UGX 8.9 billion**

Conduct two (2) Studies to Inform the development of the chemical (pharmaceutical and paint) industry in Uganda; Conduct two (2) Studies to analyze value chains of selected minerals and assess the challenges, gaps, and necessary interventions; Develop and disseminate the National Nutrition Planning Guidelines; Conduct thematic studies on SDGs Agenda 2063 to inform planning; Support Programmes, Local Governments and the Private Sector to undertake feasibility studies for key National projects; Capacity building in development planning, particularly for 160 MDAs and 176 local governments.

#### **2. Development Performance and Research – UGX 4.8 billion**

Mid-term review of NDP III and End Evaluation of NDPII reports; Produce the National Development Report for FY 2021/22 to inform APEX reporting; Produce the National survey report 2022; Evaluation of Development financing mechanism; Develop and operationalize a Functional National Spatial Data Infrastructure (UGSDI); Develop the digital government compliance assessment report.

#### **3. Regional Development Planning – UGX 0.635 billion**

Develop three (3) Evidence based Regional Development Plans; Capacity building for parish model operationalization; Capacity building in development planning, particularly for LGs; Hands on support to develop a final results and reporting framework for the LGs.

### **Vote 123 National Lotteries and Gaming Regulatory Board**

The proposed budget for FY 2022/23 amounts to UGX 8.08 billion, a 3.4 percentage decrease from the approved budget for FY 2021/22. This is on account of a cut in the non-wage recurrent budget by UGX 0.29 billion for the next financial year.

**Table 18: Vote 123 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget FY Estimates FY 2022/23	% change	age	Nominal change
<b>National Lotteries and Gaming Regulatory Board</b>					
Wage	2.48	<b>2.48</b>	0.0%		-
NWR	5.89	<b>5.60</b>	-4.9%		(0.3)
Recurrent	8.37	8.08	-3.4%		(0.3)
<b>Total</b>	<b>8.37</b>	<b>8.08</b>	<b>-3.4%</b>		<b>(0.3)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

#### **1. ICT Services – UGX 2.29 billion**

Develop and maintain a Field inspection and compliance monitoring system; Develop and maintain a National electronic register for gaming equipment; Implement the Land based casino and betting modules of the National Electronic Central Monitoring System; Procure and install Automated Backup system.

#### **2. Gaming Operations – UGX 0.433 billion**

Enforcement activities carried out countrywide; Undertake investigations into illegal gaming activities; Confiscate and destroy illegal gaming equipment; confiscate and store illegal items in a warehouse; prepare weekly surveillance reports on gaming activities; prepare operator compliance appraisal reports; Pre-licensing inspections of gaming premises carried out countrywide; Analyse gaming operator returns; Collect UGX 4 billion as NTR and UGX 46.5 billion as Tax; and Maintain a national Register of gaming equipment.

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## Vote 129 Financial Intelligence Authority (FIA)

The proposed budget for FY 2022/23 amounts to UGX 15.4 billion, a 10.1 percentage decrease from the approved budget for FY 2021/22. This is on account of a 13.3 percentage decrease in the non-wage recurrent budget by UGX 1.64 billion. The GoU development budget is estimated to decrease by 40 percent (UGX 0.09 billion) during the next financial year.

**Table 19: Vote 129 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	FY	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>Financial Intelligence Authority (FIA)</b>						
Wage	4.57		<b>4.57</b>	0.0%		-
NWR	12.34		<b>10.70</b>	-13.3%		(1.6)
Recurrent	16.92		<b>15.27</b>	-9.7%		(1.6)
GoU	0.22		0.13	-40.0%		(0.1)
Development	0.22		0.13	-40.0%		(0.1)
<b>Total</b>	<b>17.13</b>		<b>15.40</b>	<b>-10.1%</b>		<b>(1.7)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

## Key Planned Activities

1. Data Management and Dissemination – **UGX 3.2 billion**  
Analysis of all financial reports; Dissemination of at least 80 intelligence reports to LEAs; Respond to all foreign FIUs requests within 15 days; Conduct 16 engagements with relevant LEAs on the use of financial intelligence information.
2. Support services – **UGX 0.868 billion**  
Onboard 40 reporting entities from all regions of Uganda on goAML; 14 licenses renewed; 1 Penetration test carried out for the ICT Software solutions and Networks; Implement 1 security operating center (SOC) tool.
3. Inspection and Monitoring – **UGX 0.798 billion**  
Conduct 6 risk based onsite and offsite inspection (all regions, 195 m); review 160 compliance risk-based reports; 7 categories of accountable persons Sensitized and trained on risk-based approach; and 8 AML/CFT/CPF public awareness campaigns undertaken
4. Audit and Risk Management – **UGX 0.724 billion**

Conduct 2 ML/TF typology studies; conduct 2 ML/TF risk assessment of sectors; Implement 7 recommendations from ML/TF typology studies/risk assessments; produce 30 Financial due diligence reports on investors.

### Vote 130 Treasury Operations

The proposed budget for FY 2022/23 amounts to UGX 16.42 trillion, an 8.8 percentage increment from the approved budget for FY 2021/22. This is largely on account of increased treasury bond costs and external debt amortization by UGX 1.24 trillion and UGX 509.2 billion respectively. The projected external debt payments have increased due to new loans that are expected to mature effective next year in addition to already existing loans under principal repayment such as Karuma, Isimba and the Entebbe express way.

**Table 20: Vote 130 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget FY 2021/22	Budget Estimates 2022/23	FY	% age change	Nominal change
<b>Treasury Operations</b>					
NWR	14,933.81	<b>16,376.97</b>		9.7%	1,443.2
Recurrent	14,933.81	16,376.97		9.7%	1,443.2
Arrears	160.00	<b>43.37</b>		-72.9%	(116.6)
<b>Total</b>	<b>15,093.81</b>	<b>16,420.35</b>		<b>8.8%</b>	<b>1,326.5</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### Key Planned Activities

1. Debt Service Payments – UGX 16.315 trillion
2. Claims Payments – UGX 43.37 billion
3. Contingencies Fund Management – UGX 62.06 billion

### Vote 131 Auditor General

The proposed budget for FY 2022/23 amounts to UGX 77.04 billion, a 6.6 percentage increment from the approved budget for FY 2021/22. This is on account of a 16.8 percentage increment in the non-wage recurrent budget by UGX 5.7 billion. The GoU development budget is estimated to decrease by UGX 1.29 billion during the next financial year.

The increment in the non-wage recurrent budget is planned to accommodate increased scope for financial and value for money audits as well as forensic investigations.

**Table 21: Vote 131 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	FY	Budget Estimates 2022/23	FY	% change	age	Nominal change
<b>Auditor General</b>							
Wage	34.52		34.52		0.0%		-
NWR	34.17		39.94		16.9%		5.8
<u>Recurrent</u>	<u>68.70</u>		<u>74.47</u>		<u>8.4%</u>		<u>5.8</u>
GoU	3.05		1.76		-42.3%		(1.3)
<u>Development</u>	<u>3.05</u>		<u>1.76</u>		<u>-42.3%</u>		<u>(1.3)</u>
Arrears	0.51		<b>0.81</b>		59.8%		0.3
<b>Total</b>	<b>72.26</b>		<b>77.04</b>		<b>6.6%</b>		<b>4.8</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

**Key Planned Activities**

1. Financial and Value for Money audits – UGX 36.97 billion
2. Audits and Forensic Investigations – UGX 5.6 billion

**Vote 138 Uganda Investment Authority (UIA)**

The proposed budget for FY 2022/23 amounts to UGX 286.36 billion, a 318.49 percentage increment from the approved budget for FY 2021/22. This is largely on account of an increment in the GoU development budget by UGX 43.8 billion, while the externally financed budget is projected to increase by UGX 176 billion during the next financial year.

The increment in the development budget is expected to cater for development of industrial parks, where four (4) industrial parks sites will be equipped with requisite infrastructure (designed, constructed and maintained). The acquisition of Roads and Bridges is projected to cost UGX 100 billion while the Water Plants, pipelines and sewerage networks are estimated to cost UGX 90 billion.

**Table 22: Vote 138 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget FY 2021/22	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>Uganda Investment Authority (UIA)</b>					
Wage	6.83	<b>6.83</b>	0.0%		-
NWR	10.33	<b>8.23</b>	-20.4%		(2.1)
Recurrent	17.16	15.06	-12.3%		(2.1)
GoU	3.91	<b>47.70</b>	1121.3%		43.8
Ext.Fin	45.25	<b>221.25</b>	388.9%		176.0
Development	49.16	268.95	447.1%		219.8
Arrears	2.11	<b>2.35</b>	11.6%		0.2
<b>Total</b>	<b>68.43</b>	<b>286.36</b>	<b>318.5%</b>		<b>217.9</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

1. Industrial Park Development and Management – **UGX 267.2 billion**  
Design, construct and maintain four (4) industrial parks sites and equip them with will requisite infrastructure. Acquire and secure land for establishment of industrial parks; maintain 13 kms of industrial and business park roads in Bweyogerere, Luzira and Soroti.
2. Investor Education and Stakeholder facilitation – **UGX 0.52 billion**  
Support local SMEs especially manufacturers to meet the standards required to export their products; develop investment clusters along the NDP III growth triangle/corridor for value addition.

### **Vote 140 Capital Markets Authority**

The proposed budget for FY 2022/23 amounts to UGX 6.26 billion, a 9.14 percentage decrease from the approved budget for FY 2021/22. This is on account of a cut in the non-wage recurrent budget by UGX 0.63 billion for the next financial year.

**Table 23: Vote 140 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget FY 2021/22	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>Capital Markets Authority</b>					
Wage	3.47	<b>3.47</b>	0.0%		-
NWR	3.42	<b>2.79</b>	-18.4%		(0.6)
Recurrent	6.89	6.26	-9.1%		(0.6)
<b>Total</b>	<b>6.89</b>	<b>6.26</b>	<b>-9.1%</b>		<b>(0.6)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

1. Investor Protection – UGX 0.75 billion
2. Research and Advisory – UGX 0.687 billion
3. Investor Education – UGX 0.228 billion

### **Vote 141 Uganda Revenue Authority**

The proposed budget for FY 2022/23 amounts to UGX 521.43 billion, a 2.3 percentage decrease from the approved budget for FY 2021/22. The non-wage recurrent budget is estimated to decrease by 4.4 percent (UGX 12.55 billion) during the next financial year.

**Table 24: Vote 141 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	FY	Budget Estimates 2022/23	FY	% change	age	Nominal change
<b>URA</b>							
Wage	205.50		<b>205.50</b>		0.0%		-
NWR	284.42		<b>271.88</b>		-4.4%		(12.5)
Recurrent	489.92		<b>477.37</b>		-2.6%		(12.5)
GoU	44.24		<b>44.06</b>		-0.4%		(0.2)
Development	44.24		<b>44.06</b>		-0.4%		(0.2)
<b>Total</b>	<b>534.16</b>		<b>521.43</b>		<b>-2.4%</b>		<b>(12.7)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

1. Tax Compliance & Revenue – **UGX 145.5 billion**  
100 percent domestic revenue target collected; 10,000 compliance audits and visits; 90% average filling ratio (PAYE & VAT); 15 percent growth in revenue; 5 percent of collectable arrears portfolio to Revenue collected; 10,000 compliance audits and inspections; scheme and sector-based cases investigated to conclusion; 85% of forensics, intelligence and science support offered.
2. Trade Facilitation – **UGX 136.5 billion**  
Deployment of Scanners across the 6 border posts; Scan 90% of goods; 250 Post clearance audits; and collect 100 percent customs revenue.
3. Research and Information Technology – **UGX 75.16 billion**

10 researches and evaluations executed; Maintain 1 data center. Licenses for disaster recovery & IT systems; 60% system usability and 60% of key data sources integrated.

#### **Vote 143 Uganda Bureau of Statistics (UBOS)**

The proposed budget for FY 2022/23 amounts to UGX 67.83 billion, a 7.7 percentage decrease from the approved budget for FY 2021/22. This is on account of a 41.5 percentage decrease in the GoU development budget by UGX 8.4 billion. The non-wage recurrent budget is estimated to increase by 10.2 percent (UGX 3.1 billion) to cater for collection of prices statistics, household surveys during the next financial year.

**Table 25: Vote 143 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget Estimates FY 2022/23	% change	age	Nominal change
<b>Uganda Bureau of Statistics</b>					
Wage	17.99	<b>17.99</b>	0.0%		-
NWR	30.37	<b>33.49</b>	10.3%		3.1
Recurrent	48.36	<b>51.48</b>	6.4%		3.1
GoU	20.41	<b>11.94</b>	-41.5%		(8.5)
Development	20.41	<b>11.94</b>	-41.5%		(8.5)
<b>Total</b>	<b>68.77</b>	<b>63.42</b>	<b>-7.8%</b>		<b>(5.4)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

#### **Key Planned Activities**

1. Prices Statistics – UGX 5.9 billion
2. Household Surveys and Censuses – UGX 4.89 billion
3. Demography and Gender Statistics – UGX 3.3 billion
4. Business Censuses and Surveys – UGX 2.08 billion
5. National Accounts and Trade Statistics – UGX 1 billion

#### **Vote 149 National Population Council**

The proposed budget for FY 2022/23 amounts to UGX 13.73 billion, a 15.17 percentage decrease from the approved budget for FY 2021/22. This is on account of a 20.41 percentage decrease in the non-wage recurrent budget provision by UGX 2.46 billion.

**Table 26: Vote 149 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

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Vote name	Approved Budget 2021/22	FY	Budget Estimates 2022/23	FY	% change	age	Nominal change
<b>National Population Council</b>							
Wage	3.33		<b>3.33</b>		0.0%		-
NWR	12.04		<b>9.58</b>		-20.4%		(2.5)
Recurrent	15.37		12.91		-16.0%		(2.5)
GoU	0.82		<b>0.82</b>		0.0%		-
Development	0.82		0.82		0.0%		-
<b>Total</b>	<b>16.19</b>		<b>13.73</b>		<b>-15.2%</b>		<b>(2.5)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

1. Research and Development – UGX 3.26 billion
2. Reproductive and Infant Health Services – UGX 1.482 billion
3. Advocacy, sensitization and information management – UGX 1.47 billion

### **Vote 153 PPDA**

The proposed budget for FY 2022/23 amounts to UGX 14.99 billion, a 35.6 percentage decrease from the approved budget for FY 2021/22. This is on account of a 6.4 percentage decrease in the non-wage recurrent budget by UGX 0.34 billion. The GoU development budget is estimated to decrease by 72.75 percent (UGX 8 billion) during the next financial year.

**Table 27: Vote 153 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	FY	Budget Estimates 2022/23	FY	% change	age	Nominal change
<b>PPDA</b>							
Wage	6.97		<b>6.97</b>		0.0%		-
NWR	5.32		<b>4.98</b>		-6.5%		(0.3)
Recurrent	12.29		11.94		-2.8%		(0.3)
GoU	10.99		<b>3.00</b>		-72.7%		(8.0)
Development	10.99		3.00		-72.7%		(8.0)
<b>Total</b>	<b>23.28</b>		<b>14.99</b>		<b>-35.6%</b>		<b>(8.3)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

### **Key Planned Activities**

1. Procurement and Disposal Services – UGX 3.45 billion
2. Inspection and Monitoring – UGX 1.32 billion

3. Compliance and Enforcement Services – UGX 0.553 billion  
**Vote 161 Uganda Free Zones Authority**

The proposed budget for FY 2022/23 amounts to UGX 28.36 billion, a 103-percentage increment from the approved budget for FY 2021/22. This is on account of a 14.8 percentage increment in the GoU development budget by UGX 14.84 billion. This is in support of the Entebbe International Airport Free Zone project where the second production unit, trade house and anchor units are expected to be constructed during FY 2022/23

**Table 28: Vote 161 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget FY Estimates 2022/23	% age change	Nominal change
<b>Uganda Free Zones Authority</b>				
Wage	2.39	<b>2.39</b>	0.0%	-
NWR	3.70	<b>3.25</b>	-12.1%	(0.4)
Recurrent	6.09	5.64	-7.3%	(0.4)
GoU	7.88	<b>22.72</b>	188.4%	14.8
Development	7.88	22.72	188.4%	14.8
<b>Total</b>	<b>13.96</b>	<b>28.36</b>	<b>103.1%</b>	<b>14.4</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

**Key Planned Activities**

**1. Construction Management – UGX 22.47 billion**

Construct production Unit II, Trade House, and Anchor Unit at Entebbe International Airport Free Zone (EIAFZ); Develop EIAFZ marketing and management policy.

**2. Legal and Advisory Services – UGX 0.659 billion**

Acquire four Land titles acquired, gazette all Free Zones, ensure compliance and offer litigation services.

**3. Investor Protection – UGX 0.2 billion**

Automated all Free Zones; Generate 20% of Uganda's exports; Create 10,000 direct & indirect jobs; attract USD 200 million new investment in Free Zones and increase the positive trade balance in free zones by 5%.

**Vote 162 Uganda Microfinance Regulatory Authority**

The proposed budget for FY 2022/23 amounts to UGX 11.29 billion, a 61.2 percentage increment from the approved budget for FY 2021/22. This is on account of an 88.8 percentage increment in the non-wage recurrent budget by UGX 4.2 billion.

**Table 29: Vote 162 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget FY Estimates 2022/23	% age change	Nominal change
<b>Uganda Microfinance Regulatory Authority</b>				
Wage	2.17	<b>2.17</b>	0.0%	-
NWR	4.83	<b>9.12</b>	88.8%	4.3
Recurrent	7.00	11.29	61.3%	4.3
<b>Total</b>	<b>7.00</b>	<b>11.29</b>	<b>61.3%</b>	<b>4.3</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

#### **Key Planned Activities**

1. Inspection and Monitoring – UGX 2.6 billion
2. ICT Services – UGX 2.28 billion
3. Policies, Regulations and Standards – UGX 0.719 billion
4. Licensing and Compliance – UGX 0.407 billion

#### **Vote 163 Uganda Retirement Benefits Regulatory Authority**

The proposed budget for FY 2022/23 amounts to UGX 13.63 billion, a 2.6 percentage decrease from the approved budget for FY 2021/22. This is on account of a 5.6 percentage decrease in the non-wage recurrent budget provision by UGX 0.47 billion.

**Table 30: Vote 163 - Proposed Budget Estimates FY 2022/23 (UGX, Billion)**

Vote name	Approved Budget 2021/22	Budget FY Estimates 2022/23	% age change	Nominal change
<b>Uganda Retirement Benefits Regulatory Authority</b>				
Wage	5.70	<b>5.79</b>	1.6%	0.1
NWR	8.30	<b>7.83</b>	-5.6%	(0.5)
Recurrent	14.00	13.63	-2.7%	(0.4)
Arrears				-
<b>Total</b>	<b>14.00</b>	<b>13.63</b>	<b>-2.7%</b>	<b>(0.4)</b>

**Source:** Ministerial Policy Statement, Draft Budget Estimates FY 2022/23 and PBO computations

#### **Key Planned Activities**

1. Investment Management – UGX 1.8 billion

Conduct sector risk rating; Conduct and report on custodial and investment analysis; calibrate and operationalize risk-based supervision system and prepare risk-based management guidelines.

2. Communication and Public Relations – UGX 1.26 billion  
Train 1,100 stakeholders and 30 business journalists on the retirement benefit sector; conduct 24 TV and 36 radio talk shows
3. ICT Services – UGX 1.23 billion  
Authority systems and software renewed and maintained; operationalize and integrate E-risk based supervision software.
4. Regulation and Advisory Services – UGX 0.824 billion  
URBRA investment of scheme fund regulations reviewed and gazette; sector complaints investigated and resolved

#### **4.0 Observations and Recommendations**

##### **4.1 GENERAL OBSERVATIONS AND RECOMMENDATIONS**

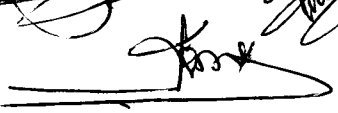

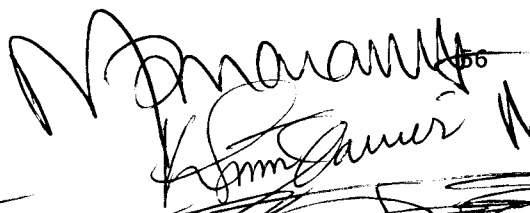
Under this section the Committee makes its observation and recommendations based the Committee's interaction with the Ministry of Finance and the various entities under its jurisdiction, and the document review. Overall, the committee noted with appreciation the achievements of the ministry and the entities under its jurisdiction.

However, in the same vein, the Committee received various representations emphasising that the Finance sector is the life blood of government and that its functioning is critical for the rating of the country, service delivery and quality of life of the people of Uganda. However, that, attention on the Finance sector, unlike other service delivery agencies, is often limited, and often only heightened during considerations of taxes and budget allocations. In that context, a number of areas of concerns were raised which the committee notes hereunder.

##### **4.2 Fiscal Deficit**

The Committee observed that the onset of the COVID-19 pandemic resulted into an increase in Government's fiscal deficit on account of increase in one-off expenditures to contain the spread of the pandemic as well as reduction in revenues following the adverse effects of the pandemic on economic activities.

The Committee further observed that, with the pandemic metrics subsiding within the country, these one-off expenditures are expected to substantially



reduce in FY 2022/23 thus resulting into a reduction in the fiscal deficit and return to the fiscal path specified in the Charter of Fiscal Responsibility. The Committee noted that fiscal deficit is projected to reduce to 5.1% of GDP in FY2022/23 from 7.5% of GDP projected for FY 2021/22, within the target set out in the Charter for Fiscal Responsibility.

The Committee further noted that the projected increase in domestic revenue will be on account of the continued implementation of the Medium-Term Domestic Revenue Mobilisation Strategy as well as a pick-up in economic activity after the full reopening of the economy in January 2022. In addition, Government in FY2022/23 and the medium term is focusing on increasing efficiency in government expenditure particularly through improving public investment management. This will result in an increase in returns on investments, higher economic growth and domestic revenue collections.

**The Committee recommends that:-**

- i) *Deliberate effort should be instituted in the Budget to maintain social spending at the programme levels (above 26% of the budget) in event the economy experiences further shocks;***
- ii) *the Ministry of Finance, Planning and Economic Development, in collaboration with Uganda Revenue Authority as track the implementation of the Medium-Term Domestic Revenue Mobilisation Strategy to ensure an increase in revenue from 13.6% of GDP in FY2021/22 to 14.7% of GDP in FY2022/23 as well as ensure reduction in expenditure as a percentage of GDP from 22.2% in FY2021/22 to 21.0% in FY 2022/23.***

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

**4.3 Implementation of the Emyooga Program**

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 Ugandans can benefit from this initiative.

As a March 2022, Microfinance Support Centre had disbursed US\$ 248.1 billion, benefitting 6,634 beneficiaries. Correspondingly, 61 Emyooga SACCO's have disbursed credit/loans to 56,057 Associations valued at US\$ 194.3Bn.

**The Committee recommends that an additional UGX 87.2 Billion be provided for the Emyooga Programme.**

### **Parish Development Model**

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

The Committee observed that while resources have been allocated for Parish Development Model, the Ministry should reflect an equitable and efficient distribution of the funds through;

- a) engaging the area Members of Parliament in all Parishes in the implementation of the Parish Development Model;
- a) protecting the funds allocated to other Poverty Alleviation programmes including Uganda Women's Entrepreneurship Programme from re-allocation;
- b) establish a targeted plan for Northern Uganda to alleviate it from poverty through the promotion of productive industries such as oil seeds;
- c) allocate UShs 30Bn to promote oil seeds in the Greater Northern Uganda region that is, Karamoja, Lango, Acholi, Tororo, Teso, Sebei and West Nile;
- d) provide UShs35Bn for Business Development Services under Enterprise Uganda

The Committee recommends that the government

### **Undercapitalisation of Development Banks**

The Committee observed that development banks have been undercapitalised. For example, Uganda Development Bank received USHS.85.5Bn. The Committee further noted that manufacturing contributed 23% to the country's resource envelope, while agriculture contributes 0.2%. The Committee noted that agro-industrialisation, as a sub-component of manufacturing, therefore needs to be supported through an increased capitalisation of Uganda Development Bank.

**The Committee recommends that in future, funding be allocated to Uganda Development Bank to support agro-industrialisation.**

#### **4.2(1) Increase in prices of basic commodities**

The Committee observed that there has been a recent drastic increase in the prices of basic commodities such as fuel, soap, sugar, and cement. Regarding the increase in the price of fuel, the Committee noted that the country does not have sufficient strategic oil reserves to last longer than two days. The Committee noted that the Uganda National Oil Company (UNOC) had requested for USD12m to purchase 12m litres of fuel for the strategic reserves at a cost price of USD1 per litre. The Committee noted that the 12mlitres would be consumed in one and a half days in the event of global or regional fuel crisis.

The Committee observed that the price of USD1 per litre of petroleum did not factor in the increase in the price of the barrel from USD50-60 in January to at least USD120, what it is costing, at the time of this report. The Committee noted that this poses a security risk to the country in light of the incoming Kenyan elections that pose an unpredictable political environment in the short term.

The Committee noted that government shall maintain a free-market policy amidst the price shocks, leading to a likelihood of higher prices and increased inflation. The Committee further noted that the inflation rate, although low at the moment, is likely to grow at a rate of 0.5% per month, leading to a likelihood of hitting the 5% cap set by Bank of Uganda.

**The Committee recommends that Government create a price stabilisation fund and offer financial stimulus;**

#### **4.2(2) Absence of a monitoring and evaluation framework for impact assessment for tax exemptions:**

The Committee observed that the Government of Uganda has offered many beneficiaries' tax benefits; tax holidays, waivers for tax payments, and refunding of various taxes as stipulated in various agreements and memorandum of understanding. The benefits are granted based on intended objectives that include promotion of economic growth, increasing employment and facilitation for extension of social services by Non-Government Organizations, among others.

The Committee further noted that in the absence of a monitoring framework, Government is not in a position to assess the impact of the tax benefits granted to the various beneficiaries.

**The Committee recommends that;-**

- i) the Ministry fast-tracks steps to review the policy on tax exemption
- ii) that the law on tax exemptions be amended to ensure that authority to grant tax exemptions be transferred to Parliament;
- iii) Exemptions granted be brought to Parliament together with the cost-benefit analysis on the same

**Continued build-up of Government tax arrears; USHS.212.747Bn.**

The Committee observed that Article 17 of the 1995 Constitution of the Republic of Uganda (as amended) provides that it is the duty of every Citizen to pay tax. The Committee further noted that Article 152(1) provides that no tax shall be imposed except under the authority of an Act of Parliament. The same Article provides that where a law enacted under the provision of the Article empowers any person to waive or vary a tax imposed by that law, that person or authority shall report to parliament periodically on the exercise of those powers as is provided for by the law.

The Committee noted that the Tax Procedures Code Act (as amended in 2019) provides that the Minister shall pay taxes due and payable by the Government arising from any commitment made by the Government to pay taxes on behalf of a person, or owing from the Government through the acquisition of goods and services. In addition, Section 40A (2) of the same Act provides that all unpaid taxes by Government as at 30th June 2019 are written off.

The Committee further noted that the Minister was tasked with gazetting the list of all taxes waived under the provision of Section 40A(2) of the Tax Procedures Code Act (as amended in 2019). In addition, Section 40A (2) of the same Act provides that all unpaid taxes by Government as at 30th June 2019 are written off. As a result of the above mentioned Section 40A (2), the Minister issued a list of beneficiaries of the said tax waivers totalling **USHS.809.734Bn**. This was gazetted in the Uganda Gazette of 13th March 2020.

In spite of the above waver, the Committee noted that one year later, a total of **USHS.212.747Bn** had already been accumulated at the Ministry of Finance, Planning and Economic Development in tax arrears as 30th June 2021. The Committee noted that the occurrence is a manifestation that a tax write-off is not the solution for the issue at hand and that the tax arrears build-up continues to negatively affect the revenue collection efforts of Uganda Revenue Authority.

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**The Committee recommends that;**

- i) **MFPED undertakes practical steps to alleviate the challenge of tax arrears**

#### **4.2(3) Increasing Debt - GDP Ratio**

The Committee observed that a review of Uganda's Debt to GDP revealed a 6% increase from 41% last year (2019/20) to 47% in the year under review (2020/21). Uganda's GDP has been increasing over the years since 2013/14. However, our debt position has also been increasing. The rate of increase of the debt is higher than the rate of increment in the GDP level, which creates a risk of reaching unsustainable debt levels in the future.

The Committee noted that the increased debt levels are attributed to Government's ambitious infrastructure program under National Development Plans I and II that were particularly focused on the energy (dams and power lines) and transport sectors. In addition, the need to expedite commercial production of our oil resources also necessitated the development of infrastructure which will aid the production process. It was also indicated that the onset of the COVID-19 pandemic had led to a contraction in economic activity and shortfalls in domestic revenue collections while at the same time creating additional spending areas to mitigate the pandemic impact.

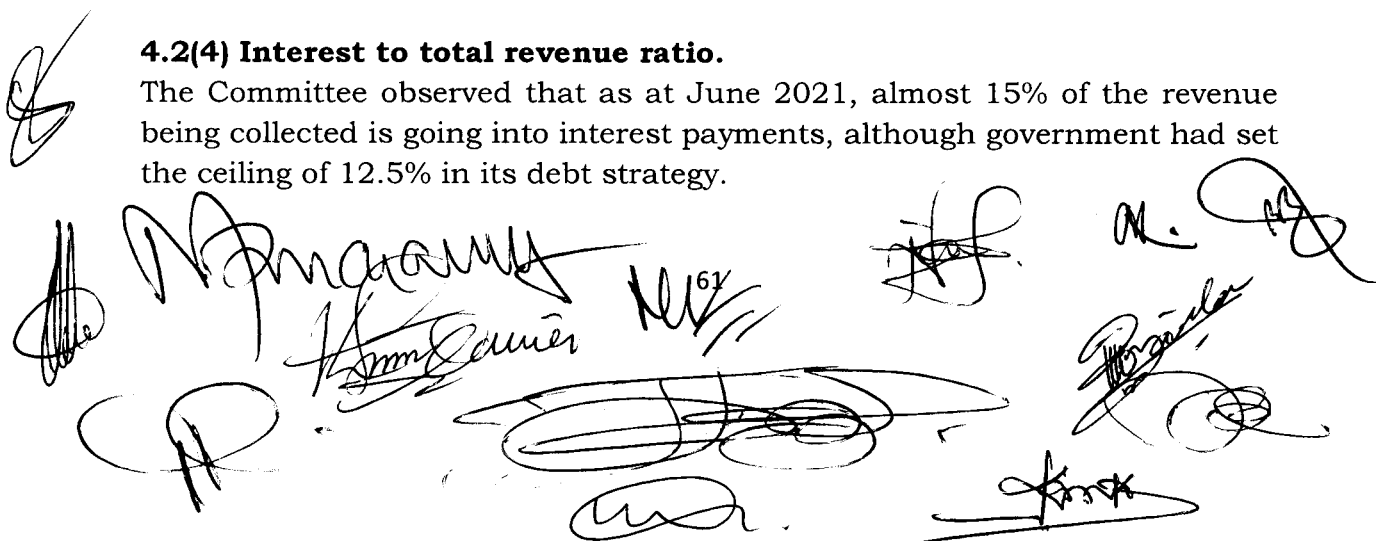
The Committee observed that a high debt-to-GDP ratio may make it more difficult for Uganda to pay both internal and external debts and may lead to creditors seeking higher interest, rates when lending to us, due to the inevitably low credit rating of the country.

**The Committee recommends that;**

- i) **MFPED considers exploring ways of reducing Uganda's dependence on debt and expediting the implementation of strategies to enhance revenue generation for the country and/or reducing/rationalising government expenditures;**
- ii) **All Government Debt be reflected in the governments debt stock;**
- iii) **Goernment should opt for concessional loans as opposed to bonds and treasury bills**

#### **4.2(4) Interest to total revenue ratio.**

The Committee observed that as at June 2021, almost 15% of the revenue being collected is going into interest payments, although government had set the ceiling of 12.5% in its debt strategy.



The Committee further observed that the key implication of a high interest-total revenue ratio, is a reduction in the funds available for funding other critical government expenditures, given that 25% already goes to salaries and wages.

**The Committee recommends that;-**

- i) MFPED implements strategies of reducing the growth of interest expenditures at the same time increasing revenue mobilization**

**Absence of Policy to manage Interest rate risk.**

The Committee observed that the country continues to engage in the acquisition of debt with floating interest rates from bilateral countries and Commercial Banks that use the 'Libor' and 'Eurobor' interest rates and thus the need for safeguards to be imposed.

The Committee further noted that that the Government debt management policy on external debt does not give sufficient guidance on the use of instruments such as 'SWAPs' in risk management. As a result, most products are market-driven which is exposing Government further to new risks.

The Committee noted that the Government entered into a SWAP arrangement with two commercial banks towards the repayment of a loan. A review of interest movements on the LIBOR revealed that Government has since made a financial loss of **USHS.65,627,696,205** and has not yet benefited from the SWAP agreements with the two banks. The Committee further noted that without a Policy, there are no streamlined and institutionalized interventions that foster proper safe guards of public resources.

**The Committee recommends that MFPED explores strategic interventions towards the development of a policy on management of interest rate risk to minimize its exposure.**

**4.2(5) Establishment of a Project Development Fund to support public private partnerships initiatives.**

The Committee observed that the PPP Act 2015 provides that there will be established a Project Development Fund to support public private partnerships initiatives. However, six years later, there is no evidence of operationalization of the Fund by the Minister.

The Committee noted that failure to establish the fund has contributed to the slow uptake and limited feasibility studies of the Public Private Partnerships. An example is The Uganda Agriculture Insurance Scheme (UAIS), a Public Private Partnership between GoU and the Private Sector represented by the Uganda Insurers Association and insurance companies under the agro- Consortium. The purpose of the scheme is to hedge Ugandan farmers against natural calamities beyond their control. However, the Committee noted that the OAG's review of implementation revealed that there was lack of a mutual agreement on Marketing of the scheme to the potential beneficiaries and a number of conditions in the MoU were yet to be fulfilled. This has limited its access to potential beneficiaries and also raised transparency concerns in regard to how the current beneficiaries were identified.

**The Committee recommends the operationalization of the Project Development Fund by the Minister in order to promote public-private partnerships as a resource mobilisation and cost reduction strategy.**

#### **4.3 VOTE 108: NATIONAL PLANNING AUTHORITY (NPA)**

The committee noted that the vote has a number of unfunded priorities. These include; inadequate office space, inadequate financing of key result areas, disruption of planned outputs/activities by Covid 19 as a result of government restrictions and budget cuts, increasing staff turnover and the slow transition from sector to program planning. These challenges are impacting on the organisation's effectiveness in the coordination and engagement of the program working group. Most critical however, is the organisation's challenge of low staffing.

#### **Recruitment of 61 staff (Salary, Gratuity, NSSF, Medical etc) - USHS8.7Bn**

The Committee observed that NPA has an approved staff structure of 181 staff of which 111 positions are filled. The Committee further noted that NPA requires an additional 61 staff for optimal functioning. When fully funded, NPA's wage Bill would total **Ushs14.6Bn, against Ushs8.9Bn** that NPA operate with currently.

The Committee further observed that the recruitment of staff for the Authority is justified by the increasing need for NPA to support the implementation of NDPIII and the NPA Strategic Direction (2010-2030). This strategic direction and the Strategic Plan demand that the Authority's structures continue to grow even further, including backstopping planning units of government Ministries, Departments and Agencies, Local

Governments and Cities.

The recruitment of staff is therefore merited by the following reasons;

- i. To strengthen capacity for integrated development planning at national and local government levels;
- ii. To strengthen the research, monitoring and evaluation to inform planning, implementation and performance of government policies;
- iii. To strengthen coordination of strategic partnership with global and global initiatives, and;
- iv. To strengthen institutional capacity to derive a centre of excellence in development planning


The Committee noted that the Authority requires USHS 8.7Bn to recruit at least 61 staff. USHS5.7Bn shall be used for wage, while USHS3Bn shall be applied to gratuity, NSSF, and Medical.

**The Committee recommends that USHS 4.5Bn 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 - USHS 1.4 Bn**

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 seek financing. NPA is mandated to support MDAs in preparation of projects, including taking lead in the implementation, planning and monitoring of core projects.

In the FY 2022/23, the Committee observed that the Authority plans to undertake feasibility studies to inform public investment in value addition and infrastructure 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 USHS 1.4Bn be allocated to National Planning Authority to undertake feasibility studies for the following projects;-**

- a) **USHS1.7Bn for the Establishment of Glass Manufacturing Facility**

in Uganda;

b) USHS0.84Bn 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

#### **4.4 VOTE 123: NATIONAL LOTTERIES AND GAMING REGULATORY BOARD (NL&GRB)**

##### **National Central Electronic Monitoring System – USHS 5,749,880,000**

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.

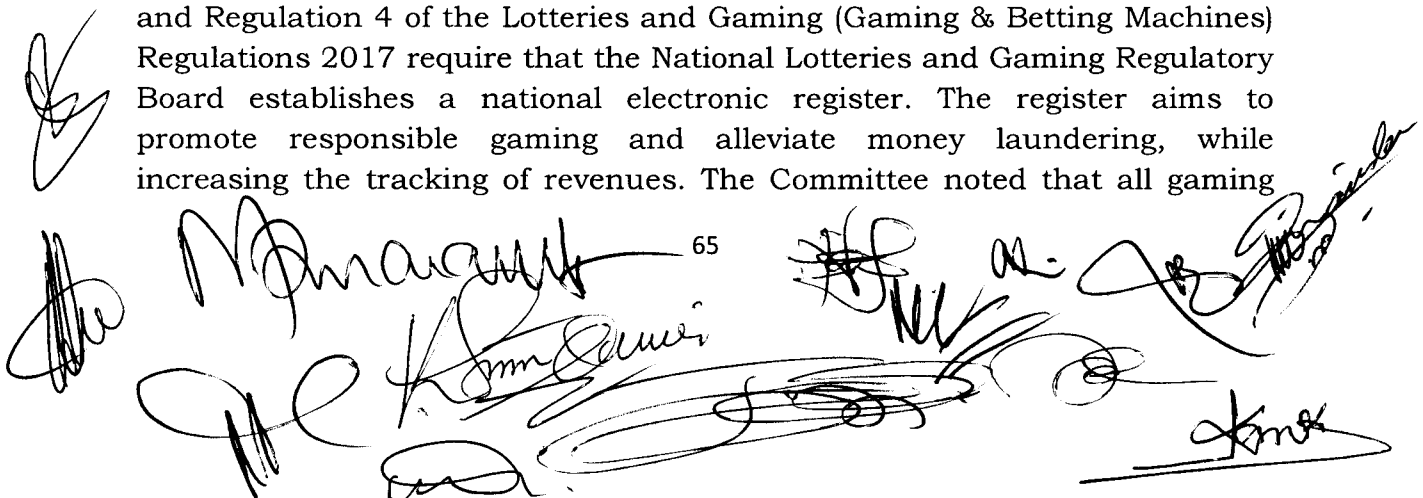
The Committee further observed that in order to protect Ugandans from the risks associated with gambling, the Lotteries and Gaming Act 2015 set standards under Section 61, for the installment of gaming and betting machines and the conduct of gaming and betting in general. However, with the scope and 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 and alleviate money laundering.

**The Committee recommends that an additional US\$5.75Bn is allocated to the National Lotteries and Gaming Regulatory Board for the procurement of a National Central Electronic Monitoring System.**

##### **National Electronic register of gaming machines and devices – Ushs 300,000,000**

The Committee observed that Sec 36 of the Lotteries and Gaming Act 2015 and Regulation 4 of the Lotteries and Gaming (Gaming & Betting Machines) Regulations 2017 require that the National Lotteries and Gaming Regulatory Board establishes a national electronic register. The register aims to promote responsible gaming and alleviate money laundering, while increasing the tracking of revenues. The Committee noted that all gaming

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machines in the country shall be required to be registered on the National Electronic register, in accordance with the law. In the recent past, the Committee noted that the Board handled three cases of gaming addiction. While this is commendable, more gaming addicts, especially among the youth, shall be easily redeemed through investing in the register.

**The Committee recommends that Ushs300,000,000 be allocated to the National Lotteries and Gaming Regulatory Board for the establishment of a National Electronic register of gaming machines and devices**

#### **4.5 VOTE 129: FINANCIAL INTELLIGENCE AUTHORITY (FIA)**

##### **3.7 Recruitment of additional staff – UGX5.017Bn**

The Committee observed that FIA has an approved staff structure of 83. However, 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 further noted the Authority is “top-heavy”, with some departments, such as Internal Audit, having managers with no officers under them to supervise. This poses a risk to the operations of the Authority, in light of the dynamic nature of money-laundering and the need for a fully staffed functioning Authority.

**The Committee recommends that Financial Intelligence Authority is allocated an additional UGX2.017Bn for the recruitment of an additional staff in the FY2022/23**

##### **Enforcement of compliance with Anti-Money Laundering Laws – Ushs2.058Bn**

The Committee observed that there is need to strengthen the regulatory environment of the financial systems in the country through execution of activities that enforce compliance with the Anti-Money Laundering Act, 2013.

The Committee took cognizance of the fact that Financial Action Taskforce (FATF), the international body tasked with fighting anti-money laundering, maintains a watch list of countries that have significant shortfalls in tackling money laundering categorized under the grey list and the black list. The Committee further noted that Uganda was placed on the grey list in 2020 and as such risks being blacklisted by the FATF if the government does not take measures to strengthen the regulatory framework against money-laundering.

The Committee further noted that the impact of being on the grey list means that the world is aware that the country is having challenges in addressing money laundering.

The Committee further noted that the Authority already engaged the East and Southern Africa Anti-Money laundering Group (ESAAMLG) for re-rating of 6 Financial Action Task Force (FATF) recommendations to improve ratings from “non-compliant/partial compliant” to “largely compliant/compliant” towards anti- money laundering efforts. FIA shall hold physical meetings with FATF in June 2022 to determine how far the country has gone to address its shortfalls regarding money-laundering.

**The Committee recommends that Ushs 2.058Bn be allocated for the enforcement of compliance with anti-money laundering laws.**

#### **Enhancement of IT Systems – Ushs3.595Bn**

The Committee observed that FIA’s I.T infrastructure is currently not up to international standards for the Authority to ably keep at pace with the advancement in money-transfer systems and the transition of the country to a digital economy.

The Committee noted that with the advent of COVID-19 and ensuing restrictions on physical contacts, e-payments have been widely embraced. This has become a key catalyst in the ongoing shift towards a ‘cashless society’, a state when the economy no longer relies on notes and coins. Without deliberately enhancing FIA’s I.T backbone, the Committee noted that money-laundering through unsupervised digital platforms may flourish even more.

The Committee further noted that for FIA’s anti-money laundering I.T systems to function optimally, such systems must not only be safe and secure, but also allow for the seamless flow of information aiding analysis as well of financial intelligence gathering. The available budget for the above funds is inadequate.

**The Committee recommends that Ushs3.595Bn is allocated to FIA for the enhancement of its IT systems.**

#### **VOTE 130: TREASURY OPERATIONS (TOP)**

**Contingency Fund:** The committee notes that the contingency fund of Ushs 290.37 billion has all been released by half period of the FY 2021/22, of which Ushs 55.7 billion was for COVID pandemic and other emergencies. However, only 21% has been spent. During the FY 2022/23, the contingency

fund provision of Ushs 223.89 billion has been provided, which is 0.5% of FY 2021/22 budget and consistent with PFM Act, 2015 as amended.

***The committee recommends that in future release of such funds should follow vote readiness to spend on emergencies.***

The committee observed the Low absorption of funds by some externally financed projects due to multiple issues like procurement delays, compensation of project affected persons and COVID-19.

***Government should review the loan portfolio and problematic projects should be restructured or cancelled***

**Commissions and Commitment Fees:** The Committee observed that these fees are projected to increase by 236% from Ushs 20.678 billion in FY 2021/22 to Ushs 48.699 billion in FY 2022/23. This is due to increasing levels of undisbursed resources from creditors like African Development fund, China Exim Bank Germany and South Korea due to slow project implementation. In addition, there is notable delays by some creditors especially those without offices in Uganda like Saudi Fund, BADEA and IDB; affecting timely updates of loan ledgers.

***The committee recommends that government should adhere to the project implementation plans and schedules and implement conditions set prior to project implementation before fund disbursements. Further government should engage those creditors without presence in the country, to agree on a disbursement schedule and disbursement triggers before project execution.***

**Arrears Payments:** The Committee noted that arrears payment is budgeted at Ushs 430.14 billion in FY 2022/23. This includes a provision of Ushs 236.25 billion (equivalent to US\$ 65million) being partial payment to DRC with respect to judgment delivered by the International Court of Justice concerning armed activities on the territory of DRC. The judgment required payment of US\$ 325 million as compensation. The balance relates to obligations related to UTL (Ushs 28 billion) and other Court awards against government (Ushs 160 billion)

***The committee recommends that the provisioning of court awards be reflected under the Ministry of Justice and Constitutional affairs budget. Obligations to UTL should be audited to ensure value for money.***

**Bank Charges:** Bank of Uganda charges US\$ 20 and US\$ 35 for incoming and outgoing transactions respectively by government. Bank charges are



borne by government in all donor agreements. In addition BOU introduced a charge of Ushs 2000 per EFT paid by government. This cost is projected at Ushs 120 billion in FY 2022/23.

***The committee recommends a reduction of the cost on bank charges by 59% to Ushs 49.48 billion due to a projected reduction in the fiscal deficit by 25%; reduction in external financing disbursements by 16%; reduction in issuance of treasury securities by 6%.***

**Issuance of Promissory Notes:** The Committee noted that government issued Promissory notes to Lubowa Hospital contractor Ushs 348.21 billion during the FY 2021/22. In addition promissory notes equivalent to Ushs 319.55 billion will be issued to the same contractor during the FY 2022/23. A review of the project agreements revealed that the company is responsible for the sourcing of finances that are required to complete the construction and equipping of the Hospital. Government's obligation is to issue Promissory Notes to the company at every stage of implementation upon certified completion of each milestone. A milestone completion certificate is issued by government after receipt of the approved certificate. We have not been able to visit the site to ascertain work undertaken. In any case, the committee considers it appropriate that a value for money audit should be undertaken.

***The committee recommends that Promissory notes equivalent to Ushs 319.55 billion programmed for FY 2022/23 is reallocated to other priority areas and a Value-For-Money audit by the Office of the Auditor General be undertaken.***

#### **4.6 VOTE 131: OFFICE OF THE AUDITOR GENERAL**

##### **Implementation of recommendations of Job Evaluation exercise**

With the support of GIZ, the office undertook a job evaluation exercise to determine the relative worthiness of each position, a fair and equitable reward system and to clarify reporting relationships and workloads with clear roles and responsibilities. The exercise was independently and consultatively conducted by a consultant hired by GIZ. The report recommended an office - wide restructuring, salary enhancement and revision of staff benefits and allowances. The report was approved internally by Top Management and subsequently endorsed by the OAG Governing Board which is a Parliamentary sub - Committee on Finance, Planning and Economic Development.

With the support of Parliament, the office received UGX 5Bn in FY 2021/22 towards this intervention. In order to fully implement the recommendations of the report, the office requires an additional UGX 16.174 Bn in wage and UGX 8.63 Bn in Non - wage totalling to UGX 19.994 Bn; (to cater for related enhancements in NSSF, Gratuity, activity allowances, travel facilitation and other benefits) in FY 2022/2023 onwards.

The Committee reiterates its earlier recommendation that Government provides an additional UGX 33.352 to Office of the Auditor General to implement the staff restructuring.

**Managing the expanding range and scope of audits UGX 19.61Bn**

The AG is required by law, to audit and report on all public accounts and of all public offices in Uganda. However, due to inadequate funding the office is unable to cover its entire audit population especially the ever increasing Local Governments, schools and now the Parish Development Model, 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 OAG needs UGX 19.61 according to the estimated unit costs of audit to enable the office undertake the audits as required by law in addition to those that meet the stakeholder demands. This is in line with the Integrated Audit Approach, the OAG Strategic priorities on undertaking high impact audits and alignment of the OAG audit work to SDGs. This amount shall be utilized in the audit of the following: .

- 10,497 Parishes
- 1662 Lower local governments.
- 375 schools o
- 20 VFM Audits .
- 20 Forensic Investigations.
- 3 Infrastructure Audits and; .
- 1 PPP project Audit

The Committee recommends that UGX 1.5bn be reallocated to OAG from funds allocated towards Court Awards/ Arrears under Vote 130- Treasury Operations in order to enable OAG kick start this activity.

**Replacement of Aging vehicle fleet UGX 2.95Bn**

The Office of the Auditor General requires an additional UGX 2.95bn to embark on replacement of its ageing fleet of vehicles. The most recent vehicle utilization assessment conducted in March 2020 showed that 53% of the motor vehicle fleet is due for replacement. In addition, the allocation

towards purchase of vehicles was cut in FY 2019/20 without a corresponding restoration in the MTEF for FY 2020/21. Owing to the expanding mandate of the Auditor General, increasing maintenance costs and the fact that most of the work of the Office is field based, the Office requires UGX 2.95bn to purchase 15 new vehicles.

**The Committee recommends that UGX 2bn be allocated to enable OAG replace the aging fleet.**

**Stakeholder Engagement and International Obligations UGX 3Bn**

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 harbours 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 2Bn 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 OAG be allocated UGX 3Bn in order to effectively undertake the above mentioned stakeholder engagement activities and participate in the International arena.***

**Audit of Missions Abroad UGX 4Bn**

Following the freeze on travel abroad due to covid 19, the office has not previously been able to undertake audit of 36 missions abroad, for two consecutive years! This has led to considerable accumulation of audit backlog and a failure to provide assurance to the public on resources allocated to the missions abroad

**The Committee recommends that a total of UGX 4Bn is allocated to Office of the Auditor General to enable it undertake the accumulated audit of 36 missions abroad.**

**Impact Assessments and Perception Surveys UGX 1.2Bn**

Pursuant to the office vision of adding value to society, the Office aims to ascertain the impact and long term outcome of its work. This requires annual impact assessments to be undertaken which shall enable office demonstrate its benefit to the public. In addition the office is planning to undertake biennial perception surveys as per the OAG strategic Plan 2020-2025. This will enable the office establish the stakeholder perception about the work done by office while collecting valuable feedback for improvement in meeting stakeholder expectations.

**The Committee recommends that UGX 1.28Bn be made available for the Impact Assessment and perception surveys.**

#### **4.7 VOTE 138: UGANDA INVESTMENT AUTHORITY**

##### **3.7 Development of Industrial and Business Parks – Shs 30Bn**

The Committee observed that Uganda currently faces a challenge of how to transform economic activity away from low value-added agricultural production, non-tradeable services and manufacturing activities towards high value globally competitive industries. While in many ways Uganda is facing a different global environment in which to pursue industrial development than earlier East Asian industrialisers, export orientated industrialisation remains the most useful benchmark for policy. One such country South Korea highlights three key ingredients for successful industrial policy: a clear export orientation, enforceable understandings between government and industry, and effective policy implementation. UIA therefore identified industries close to existing comparative advantages – and collaborating with regional partners in doing so – offers lower risks and more attainable benefits for industrial policy.

The Committee observed that for UIA to meet the targets of the Regional Industrial Parks Strategy, that calls for a minimum target of five industrial and business parks to be setup across the country, there is need to develop the relevant public infrastructure and utilities in these industrial parks using funding from the Government to secure the land (fencing, surveying & Titling) and operationalize the parks through the Memorandum of Understanding that 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 under the unfunded priority list in line with the industrial park's development strategy are specifically meant to facilitate the following;

- i) Establishing eco-friendly fully serviced agro-industrial parks/export processing zones to stimulate and expand Agro-processing.
- ii) Establishing 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 (UGX 30 bn is required to secure and setup each industrial park)

In order for UIA to implement the Regional Industrial Parks Development Program, there is need for the Authority to exclusively setup and operationalize at least five (5) industrial and business parks spread across the country, secure the land through surveying, fencing and titling, and undertaking feasibility studies on the land for the construction of industrial and business facilities to contribute to the economic transformation program of government. This will enable the Authority to meet the set target of implementing Regional Industrial Parks Strategy so as significantly contribute to import substitution, gross contribution to GDP and vast job creation. This activity requires USH30Bn which has not been provided for in the budget.

**The Committee recommends that USHS 30Bn be allocated to Uganda Investment Authority to setup and operationalize at least 5 Industrial and Business Parks through securing the acquired land through surveying, fencing and titling and infrastructure development (Roads, water reticulation, setup grid power lines and substations, solid waste management facilities etc.) across the country.**

### **3.8 Purchase and use Of Foreign Direct Investment (FDI) Intelligence Tools In Targets Investment Promotion – 0.5Bn**

The Committee observed that the modern approach to investment promotion is based on researched business intelligence programs which are enabled through highly developed Foreign Direct Investment (FDI) intelligence tools.

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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 **USHS 500m** but no funds have been allocated towards these tools within the BFP estimates for the upcoming FY 2022/23 Budget of the Authority.

**The Committee recommends that Government provides USHS 0.5Bn to UIA to enable it purchase FDI intelligence tools for targeted investment promotion.**

#### **Development of Industrial Parks**

The Committee was informed by Uganda Investment Authority that UShs20Bn has been ear-marked for the development of Kapeeka Industrial Park. However, it was not established that Government had not yet completed the transfer of the title from the private developer.

**The Committee recommends that the UShs20Bn earmarked for Kapeeka Industrial Park be re-allocated to the development of other Industrial Parks.**

#### **Operationalization of an integrated National SME Database – Ushs0.5Bn**

The Committee observed that the country lacks a National SME data base. This is required in order for UIA to formalise, monitor and track the capacity development of Small and Medium Enterprise firms in Uganda.

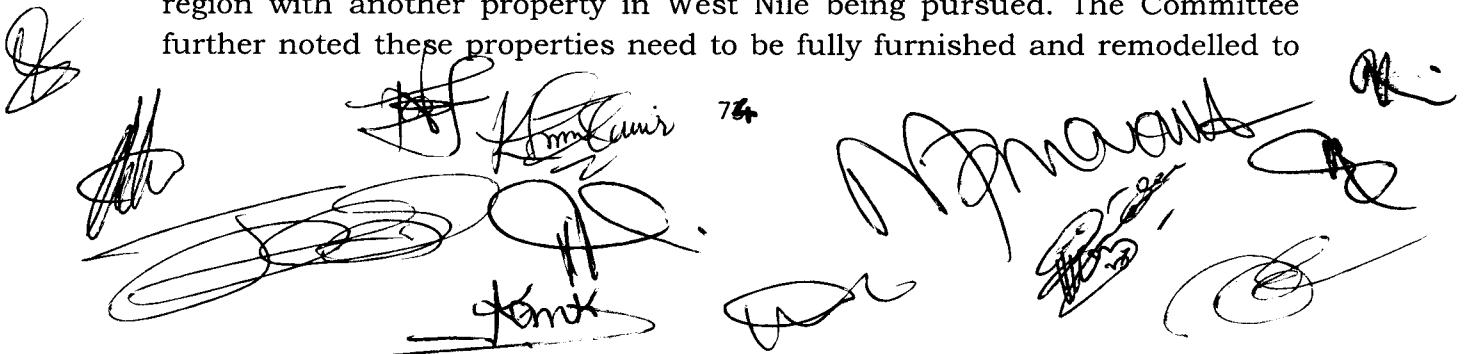
The Committee noted that this activity is in line with one of UIA's core objectives to "promote, attract, advocate, facilitate, register, monitor and evaluate the development of all forms of investment and business activities in Uganda".

**The Committee recommends that Ushs 500m is allocated to UIA for the operationalization of an integrated National SME Database.**

#### **Development of a Regional One-Stop Centre and Development of new e-Business services – Ushs 4Bn**

The Committee observed that UIA is in the process of setting up regional One-Stop Centres in Uganda in line with the presidential directive to set them up within every region where an industrial park is located.

The Committee noted that UIA has already secured property for the Eastern region with another property in West Nile being pursued. The Committee further noted these properties need to be fully furnished and remodelled to

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accommodate all MDA's whose mandate relates with UIA's in investment promotion mandate.

The Committee observed that failure to fund this priority poses a business disadvantage to local investors and SME's who cannot access the services of the centrally located One-Stop Centre in Kampala.

**The Committee recommends that Ushs4Bn be allocated to Uganda Investment Authority to develop a Regional One Stop Centre in Eastern Uganda.**

#### **Enhancement of FDI and DDI Development in the country – Ushs 2Bn**

UIA must focus on value chains and sectors that will have the greatest multiplier effects on the economy, on the basis of solid research. Without the solid research, the Committee noted that UIA's FDI and DDI activities may not have the intended impact in terms of job creation.

The Committee observed that Foreign Direct Investment and Domestic Direct Investment have the ripple effect of leading to higher productivity of domestic firms through access to new ideas, technologies and organisational skills. The Committee further noted that such FDI and International Trade need to be based on sound research.

**The Committee recommends that Ushs 2Bn be allocated to UIA to enable it conduct research and provide policy advocacy for a conducive investment environment.**

#### **4.8 VOTE 140: 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 – Ushs220M**

The Committee observed that Capital Markets Authority is inadequately promoted in order to make its mandate visible and relatable to ordinary Ugandans. In order for the Authority to extend its visibility to the rest of the country outside Kampala, the Authority needs to set up a nationwide media campaign. This will necessitate Training of Trainers, especially teachers. The Authority therefore intends to engage Uganda's educators and make them its ambassadors in schools, with the aim of exposing students to the capital markets' operations and benefits. The Committee noted that CMA requires an additional UGX220,000,000 to set up a nationwide media campaign.

**The Committee recommends that an additional Ushs220M be allocated to Capital Markets Authority for the purpose of;-**

- i. setting up a nationwide media campaign;**
- ii. training of trainers, especially educators and students, on the mandate, operations and benefits of CMA.**

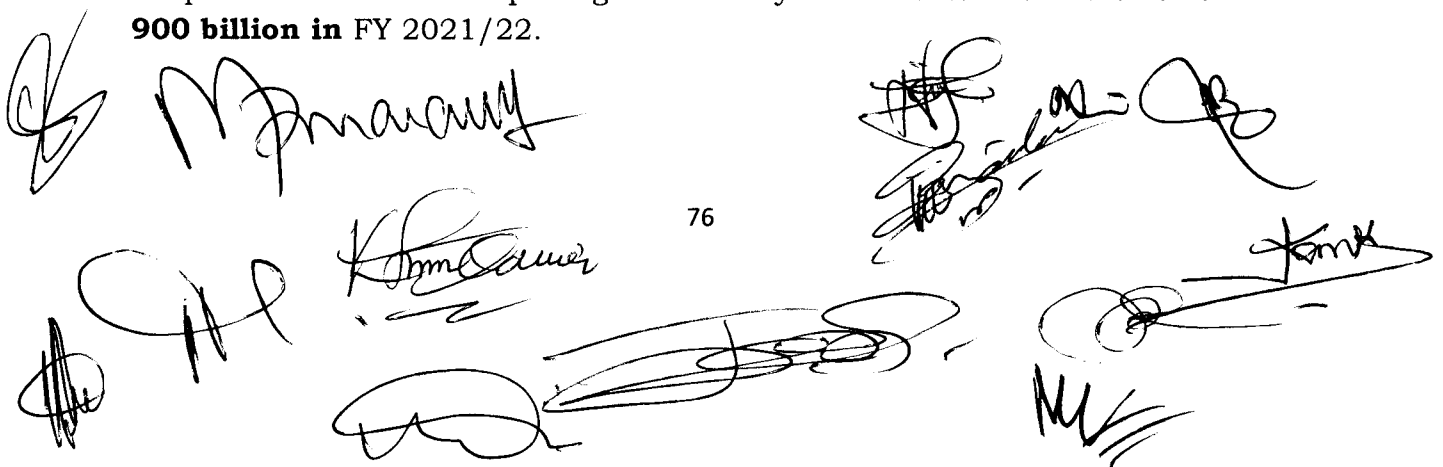
### **4.9 VOTE 141: UGANDA REVENUE AUTHORITY**

#### **3.8 Performance of URA tax revenue**

The Committee observed that the revenue target for FY 2021/22 of **Ushs 22,425.37 billion** cannot be achieved on account of COVID 19 and the lockdown measures which led to the partial opening of the economy hence affecting revenue performance.

The Committee further noted that interim cumulative collections for the period July 2021 to March, 2022 amounted to **Ushs 15,578.77 billion** against the target of **Ushs 16,577.81 billion** registering a deficit of **Ushs 999.05 billion**. The reduction in the shortfall was due to the surplus of **Ushs 11 billion** registered in March 2022.

The Committee noted that this effort has been on the account of tax administrative effort through enhanced enforcement, implementation of the Digital Tax Stamps solution and Electronic Fiscal Receipting and Invoicing System (EFRIS). The Committee further noted that these interventions coupled with the full reopening of economy will lead to a shortfall of **Ushs 900 billion** in FY 2021/22.



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The Committee noted that for URA's to hit its tax revenue targets, there must be a robust and deliberate effort to implement the Domestic Revenue Mobilisation Strategy.

**The Committee recommends a robust implementation of the Domestic Revenue Mobilisation Strategy through;**

- i) The allocation of funds for the construction of comprehensive stations' accommodation facilities for staff at One-Stop Stop Boarder Posts;**
- ii) Leveraging of new and improved technologies such as digital tax stamps and non-intrusive inspection of goods at customs border points;**
- iii) Staff enhancement and capacity building;**
- iv) Review of warehouse processes and improvement in stock management through the development of a comprehensive stock management system;**

#### **Tax Register**

The Committee observed that 555,376 new taxpayers were registered as at 10<sup>th</sup> April, 2022 representing a performance of 70.6%. The taxpayer register as at the end of March 2022 was 2,338,809 tax payers.

The Committee further 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.

**The Committee recommends an improvement in the efficiency, effectiveness and transparency of revenue administration by modernizing the tax system through innovative IT solutions, and a focus on the implementation of the Domestic Revenue Mobilisation Strategy.**

#### **Low Tax to GDP ratio.**

The Committee observed that Section 2.1 (i) Public Debt and other Financial Liabilities Management Framework for the FY2018/19 to FY2022/23 provides that the Government of Uganda shall work towards raising its tax-to-GDP ratio to the Sub-Sahara Africa's (SSA) average of 15.1% as part of Uganda's Financing Strategy to limit on borrowing.

The Committee noted that from the start of the implementation of the framework in the FY2018/19, Uganda had made a slight improvement in its Debt-GDP ratio and currently stands at 13%. However, the Committee noted

that more strides have to be made to increase the tax-GDP ratio to 15% and more.

The Committee observed that the continued failure to collect sufficient revenue will imply more borrowing and creates a risk that the Country may not achieve the World Bank Sustainable Development Goals by 2030.

**The Committee recommends that**

- i) **MFPED formulates effective and efficient policies that will further enhance domestic revenue mobilization;**
- ii) **MFPED support MDAs to limit their expenditures to within the limits of sustainable financing;**

**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 equally 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.**

**Tax education, public relations, compliance management support, research and strategic stakeholder engagements - US\$ 12.730 Bn**

The Committee observed that URA mobilizes revenue through engagement with taxpayers in the various segments in respect to the Compliance Improvement Plan profiled for the financial year, and consequent enforcement. Failure to acquire funding for this initiative will therefore affect the Authority's operations.

The Committee noted that the planned engagements include sessions with tax agents to ensure compliance with agreed procedures, sensitization for all clients in the respective sectors on their tax obligations, among others. The

cuts from the 1<sup>st</sup> & 2<sup>nd</sup> Budget Call Circulars will thus constrain these initiatives.

**The Committee recommends that an additional UShs 12.730 Bn be allocated to URA to enhance efforts in Tax education, public relations, compliance management support, research and strategic stakeholder engagements**

**Staff welfare and retention initiatives - UShs 81.990 Bn**

The Committee observed that expertise in the tax field is scarce in Uganda, and it takes time to train staff in specialized areas like Oil and Gas, Information Technology and International Taxation among others. The Committee therefore identified the need to make staff welfare and retention packages more competitive to retain these scarce skills. The staff welfare and retention initiatives highlighted are an alternative to the desired staff salary increments.

The Committee further observed that staff attrition rates are attributed to the fact that staff salary has not significantly increased despite the consistent increase in the cost of living over the years. The staff salary has over the years been eroded by inflation and the cost of living currently posting a 25.20% cumulative consumer price index. DRMS & World Bank (2018) recommended that salaries should be periodically adjusted for inflation.

The Committee further noted that the creation of new Authorities/Agencies and re-organization in the existing Authorities attracted skilled staff to exit URA most notably for the higher pay offered. From staff exit interviews 98% of staff that exited in the last four years cited better pay as their reason for exit.

**The Committee recommends that UShs 81.990Bn be allocated to URA for enhancement of its staff welfare and reduction on its attrition rates which stand at 98% over the last four years.**

**Comprehensive integrity strategy initiatives - UShs 1.885 Bn**

The Committee observed that without a deliberate and robust integrity effort, URA will become susceptible to systemic corruption which will impair the URA mission and vision. The Committee further noted that additional funding is needed for conducting life style audits, enhancing communication and visibility of integrity messages across the Organisation and Stakeholders.

**The Committee recommends an additional US\$ 1.885 Bn be allocated to URA for the development of comprehensive integrity strategy initiatives**

**Surveillance of wider coverage of porous borders through intelligence gathering and investigations – US\$ 0.540 Bn**

The Committee observed that porous borders need rigorous surveillance through intelligence gathering that would curb illicit trade and enhance revenue collections.


During the Committee's oversight visit to Padea Boarder Post in the West-Nile and Bugango in Southern Uganda in February 2022, the glaring challenge of porous border posts indicated a need for enhanced surveillance and wider coverage of porous border through intelligence gathering and investigations. Both border posts had multiple unmanned border points, and lacked enough security personnel to effectively patrol them.

**The Committee recommends that US\$0.540Bn be allocated to URA for Surveillance of wider coverage of porous borders through intelligence gathering and investigations**

**Deployment of Scanners across Seven (7) new border posts - US\$10.000 Bn**

The Committee observed that scanners are used to detect and deter proliferation of arms and ammunitions thus aiding Customs in the fulfilment of its mandate to protect society/people. The Committee further noted that scanners are also critical for non-intrusive inspection of cargo and vehicles to identify concealed/under declared/mis declared goods.

The Committee noted that the deployment of scanners will lead to improved compliance of declarations and more revenue collection. The scanner will also improve on the risk management strategies to ease flow/control and facilitation of legitimate trade and leverage on technology to improve service delivery. If extra funding is provided, the Authority will be able to install more scanners in the FY 2023/24 to enhance revenue collections.

 **The Committee recommends that US\$10.000Bn be allocated to Uganda Revenue Authority for the deployment of Scanners across Seven (7) new border posts.**

**Procurement of transit monitoring technologies- US\$ 6.820 Bn**

The Committee observed that certain specialized areas including audits for telecoms, financial services, multi-national enterprises construction companies and oil and gas services require focused compliance and enforcement initiatives tailored to suit the requisite sectors.

The Committee further observed that Taxpayers within these sectors are profiled for special audits that not only consume time due to specificity in information warranted, but also the budget to sustain the long durations in audits. These usually take up to 6 months of audit but with a greater revenue yield than that realized in average audits.

The Committee noted that as at 31<sup>st</sup> December 2021, Oil and Gas Division had collected UGX 132.11Bn against a target of UGX 50.07Bn registering a surplus of UGX 82.04Bn and performing at 263.87%. With initiatives tailored towards such high-yielding sectors, the Committee noted that URA shall be able to hit its revenue collection targets.

**The Committee recommends that UShs 4.375Bn is allocated to Uganda Revenue Authority for the implementation of sector-based Compliance and Enforcement initiatives in specialized areas including audits for telecoms, financial services, multi-national enterprises construction companies and oil and gas services.**

**Engagements on Domestic Tax process changes and improvements – Ushs 0.291 Bn**

The Committee observed that following the budget reading and coming into force of new Tax Policy measures effective 1<sup>st</sup> July, 2022, a number of tax policies and procedural changes are expected to come into force to enhance revenue administration to align with the amendments to the respective tax laws.

The Committee further observed that over 9 tax bills were presented to Parliament for First Reading and are expected to come into force effective 1<sup>st</sup> July, 2022.

The Committee noted that engagements are organized annually with an aim of sensitizing both staff and taxpayers on the new Tax Policy changes. Consequently not funding this initiative will increase the cost of revenue mobilization through increased taxpayer resistance to compliance due to ignorance of the new amendments to the tax laws.

**The Committee recommends that Ushs 0.291 Bn be allocated to Uganda Revenue Authority for engagements on Domestic Tax process changes and improvements**

**Domestic Revenue Quality assurance inspections and monitoring - UShs 0.159 Bn**

The Committee observed that quality inspections and monitoring are Sections within URA with the mandate of ensuring that the internal operational revenue mobilization processes and procedures conform to the Organizational standards and that they are uniformly implemented across the Organization.

The Committee noted that this creates uniformity in standards of service delivery hence sustaining the brand while mobilizing revenue collections.

**The Committee recommends that UShs 0.159Bn be allocated to Uganda Revenue Authority for the enhancement of Domestic Revenue Quality assurance inspections and monitoring**

**Office Space for Rent –Kampala Metro, Kampala North, Kampala South- UShs 2.41Bn**

The Committee observed that Uganda Revenue Authority currently lacks space in the SME-dominated business areas of Kampala Metro, Kampala North, and Kampala South. The Committee noted that offices in these places will help bridge the gap between URA and taxpayers in the respective jurisdictions particularly the small and medium enterprises taxpayers. Having these offices will make it easier for taxpayers to access URA services, improve client support, reduce the taxpayers' cost of doing business and ultimately encourage voluntary compliance.

The Committee noted that funding the procurement of office space for rent in the areas of Kampala Metro, Kampala North, and Kampala South will also enable URA to promptly identify and register taxpayers in these areas and thus expand the tax base.

**The Committee recommends that UShs 2.41Bn be allocated to URA for Office Space for Rent in Kampala Metro, Kampala North, Kampala South.**

**Management and securing of the porous borders – Ushs 16.87 Bn**

The Committee observed that Uganda Revenue Authority required additional funds for the management and securing of porous borders through the procurement of drones and speed boats.

The Committee noted that URA shall employ the drones and speed boats to recover the revenue that would have otherwise been lost and enhance protection of Uganda's borders from illegal movement of untaxed goods, contraband, weapons and drugs both on land or the waters that would compromise the economy and the Country at large.

**The Committee recommends that Ushs 16.87 Bn be allocated to Uganda Revenue Authority for the procurement of speed boards and drones as innovative preventive measures against revenue leakages and illicit trade.**

**Office Accommodation for Masaka, Mbale, Pre-fabs in selected 22 Customs stations - UShs 27.500 Bn**

The Committee observed that URA has nine (9) prime properties with dilapidated office buildings, which are either make-shift or old. The makeshift structures include uniports and manyattas, which are not safe for use.

The Committee noted that particularly, the Masaka property currently poses a public safety threat, as communicated to URA Management by the Masaka City Authorities. Additionally, the continued existence of undeveloped prime properties poses a constant risk of encroachment from the public, evidenced by the long running Court cases of encroachment on URA land in Mbale.

The Committee further noted that URA has tried to plant live fences to demarcate its property. However, the threat of encroachment remains if the properties are undeveloped.

The Committee observed that the implementation of this Project is expected to provide the following benefits:

- i. Development of URA prime land and protecting it from encroachment and illegal acquisition,
- ii. Improved office environment and facilities,
- iii. Improved tax compliance from enhanced taxpayer sensitization,
- iv. Improved domestic tax mobilization cost savings in rented office space.

**The Committee recommends that UShs 27.500 Bn be allocated to Uganda Revenue Authority to cater for Office Accommodation in Masaka, Mbale and procurement of Pre-fabricated office units in 22 selected Customs stations**

## **VOTE 143: UGANDA BUREAU OF STATISTICS**

### **3.9 The National Population and Housing Census (NPHC) – UGX 160.6Bn**

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 noted that demographic and socio-economic data are useful for planning and evidence-based decision making in any country. Such data is 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 further noted that the funds for the Population Census had not been included in the current.

**The Committee recommends that an additional UGX 160Bn be allocated to Uganda Bureau of Statistics to undertake a National Population and Housing Census.**

### **Redevelopment of Entebbe & the East African Statistics Bureau – US\$11.63Bn**

The Committee observed the East African Legislative Assembly-EALA passed the EAC Statistics Bureau Bill, 2017 in November 2018. The law among others establishes a statistics bureau for the community as one of the key institutions for the establishment of the East African Monetary Union.

The Committee noted that Uganda is best placed to host the bureau since the UBOS office in Entebbe was established in 1946 to collect and disseminate statistics for the East Africa Protectorate under the British colonial government. The Committee further noted that the office in Entebbe continued to carry out the same role after Kenya, Uganda and Tanzania gained independence and formed East African Community in 1967. However, Uganda maintained the bureau offices after the EAC collapsed in the 1970s.

The Committee based on the above indicators to ascertain that Uganda has the capacity to host the bureau like it did in the past, which will come with the added benefit of providing job opportunities to Ugandans and also boost Uganda's influence in the region. However, funds are required to ensure that Uganda can effectively construct and host the East African Statistics Bureau.



**The Committee recommends that Ushs11.63Bn for the redevelopment of the Entebbe and East African Statistics Bureau be allocated to Uganda Bureau of Statistics.**

**Completion of the ongoing Surveys and Censuses including the Uganda National Household Survey - UShs6.07Bn**

The Committee observed that UBOS requires an additional Ushs6.07Bn for the Uganda National Household Survey and other surveys.

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

**Expansion of Audit Coverage and investigations – Ushs2.7Bn**

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 2.7Bn 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 – Ushs0.5Bn**

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 500m for**

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**effective monitoring of the implementation of local content in public procurement.**

**Strengthening of Governance and Internal Systems and Recruitment of Additional Staff – Ushs6.986Bn**

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 6.986 Bn to recruit additional staff, in order to strengthen its governance and internal systems.

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

**4.9 VOTE 161: UGANDA FREE ZONES AUTHORITY (UFZA)**

**Completion of the Entebbe International Airport Free Zone – Ushs5Bn**

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 Committee noted that the Free Zones Scheme contributed to 23% of the country's total export stock in the FY2021/22. The Committee further noted that during the FY2020/21, Free Zones contributed UGX 22.59 billion to the country's tax revenue, compared to UShs 30.88 billion in FY2019/20. The reduction was mainly due to tax exemptions from VAT. The tax forgone was UGX 158.03 billion in FY2020/21 compared to UGX 2.85 billion in FY2019/20. In other words, without VAT tax exemptions, Free Zones would have contributed at least Ushs200Bn in tax revenue.

The added benefits the Entebbe International Airport Free Zone is expected to create is in the form of 240 direct jobs and a significant 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 an additional Ushs5.24Bn to complete the project.

**The Committee recommends that an additional UGX 5,240,000,000 be allocated to UFZA to complete the construction of the Entebbe International Airport Free Zone.**

#### **4.10 VOTE 162: UGANDA MICROFINANCE REGULATORY AUTHORITY (UMRA)**

UMRA was established in 2016, under the Tier 4 Microfinance Institutions and Money Lenders Act, 2016 to regulate, licence and supervise the tier four institutions. It has as its founding ethos financial deepening and financial inclusion, the objective of sustainably lowering the costs of doing business in Uganda by increasingly accessing access to affordable credit largely targeting SMEs and by conducting regular supervision, regulation and licensing of tier 4 financial institutions.

The organization is regulating a large sector of about 40,000 to 50,000 existing that have matured. These include none banks, money lenders, self help groups like the Village Savings and Loan Associations (VSLA), 6,000 to 7,000 Emyooga SACCOs and now being added, about 10,000 SACCOs under the Parish Development Model. This where, largely, individuals keep their money.

However, because the regulatory organization is grossly underfunded, the sector is being seriously abused and largely seen as unregulated. It is where criminals are hiding their money and open to money laundering. At the moment Uganda is Grey listed and is at the risk of being black listed. Money lenders, have at times charged high interest rates and often have been seen to hire the military to collect their unpaid loans.

The Committee therefore observed that it is important that UMRA is resourced. Fortunately, its budget will be going up by about 40% in the next year's (2022/2023) budget. However, the organization still has inadequate coverage of credit reference Bureau for the Tier \$ Microfinance Institutions and Money Lenders; lack of a comprehensive database of MFIs in Uganda making it difficult for UMRA to effectively regulate licenses and supervise MFIs.

The organization also has an unfunded budget of 24.11BN which includes

Off site and on site supervision, compliance monitoring and Evaluation of activities of Tier 4 Microfinance and Money Lenders Institutions requiring UGX 2 BN.

Creation of awareness campaigns across the country requiring 2Bn

Retooling (20.11BN) including the ICT and Management Information System for regulation (UGX 12.4BN) and transport (UGX 4.85Bn).

***The Committee therefore recommends that an additional UGX 14.85BN be provided to UMRA where UGX 10 Bn is towards the MIS system and 4.85Bn towards the purchase of vehicles.***

**VOTE 163: UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY(URBRA)**

**100. Extension of sector coverage:** the committee noted that URBRA plan to undertake a regulatory impact assessment to inform legal, governance and operating framework for the national micro-pension scheme at a cost of Ushs 0.635 billion during the FY 2022/23.

***The committee recommend provision of Ushs 0.635 billion to enable URBRA expand the pension sector coverage and increase the level of savings in the country.***

**101. Public Service Pension scheme:** In order to enhance capacity by URBRA to supervise the public service pension scheme; and undertake research on its implication of conversion of the public service pension scheme from defined benefits to a defined contributions, Ushs 0.355 billion will be required for this purpose.

***The committee recommends Ushs 0.355 billion be provided to undertake studies on the implications of conversion of the public service pension scheme from defined benefits to a defined contributions scheme.***

**102. Performance of NTR:** the Committee noted that NTR under URBRA over performed by 9% collecting Ushs 8.21 billion against a target of Ushs 7.55 billion during the first half of the FY 2021/22 due to increase collections from levies. Further the presidential directive to suspend NSSF paying levies to URBRA will reduce on NTR collections.

***The committee recommends that government should re-consider suspension of NSSF payment of the levy to URBRA to increase on the much needed revenues to finance the national budget.***

**103. Policy and Sector Development:** the Authority requires Ushs 0.3 billion in FY 2022/23 to undertake stakeholder consultations on policy

and sector development with an aim to increase coverage, benefits design, benefits adequacy and preservation.

***The committee recommends provision of an additional Ushs 0.3 billion to the Authority's recurrent budget to undertake stakeholder consultations on policy and sector development during the FY 2022/23***

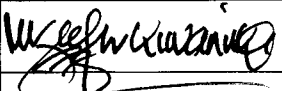
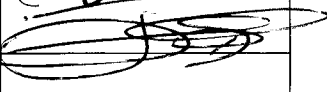
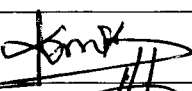

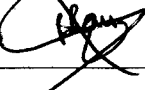


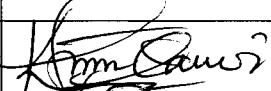

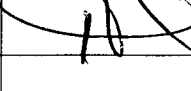

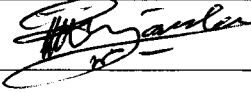
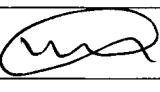
- 104. Capacity building for Licensed Entities:** the Committee observed that the Authority has a funding gap of Ushs 0.6 billion during the FY 2022/23 to build capacity of licensed entities on the risk based supervision system.

***The committee recommends Ushs 0.6 billion be provided to URBRA during the FY 2022/23 to build capacity for licensed entities on risk based supervision system.***

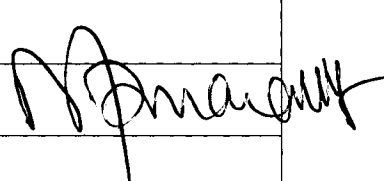
- 105. Total Quality Management:** the committee noted that there is need for the Authority to undertake due diligence and conduct monitoring of the sector players. However, this activity requires Ushs 0.6 billion to ensure protection of pensioner savings.

***The committee recommends Ushs 0.6 billion be provided in FY 2022/23 budget to provide for quality management systems, legal entity identifier, information security systems and business continuity management systems to enhance domestic and international due diligence and market conduct monitoring.***

**MEMBERS OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**

NO	NAME	PARTY	SIGNATURE
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2	<b>Hon. Avur Jane Pacuto D/CP</b>	NRM	
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17	Hon. Opolot Patrick Isiagi	NRM	
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19	Hon. Okwir Samuel	NRM	
20	Hon. Nabukeera Hanifa	NUP	



21	Hon. Muwanga Kivumbi	NUP	
22	Hon. Ssenyonyi Joel	NUP	
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24	Hon. Batuwa Timothy	FDC	
25	Hon. Akol Anthony	FDC	
26	Hon. Luttamaguzu Semakula P.K	DP	
27	Hon. Ocan Patrick	UPC	
28	Hon. Omara Paul	INDEP.	
29	Hon. Muhammad Nsereko	INDEP.	
30	Hon. Aciro Paska Menya	INDEP.	
31	Hon. Kinyamatama Suubi Juliet	INDEP.	
32	Hon. Masaba Karim	INDEP.	