

# THE PARLIAMENT OF UGANDA



THE REPUBLIC OF UGANDA



## REPORT OF THE COMMITTEE ON PRESIDENTIAL AFFAIRS ON THE MINISTERIAL POLICY STATEMENTS AND BUDGET ESTIMATES FOR THE PRESIDENCY, KAMPALA CAPITAL CITY AUTHORITY AND OFFICE OF THE PRIME MINISTER FOR FY 2022/23

Office of the Clerk  
Parliament of Uganda  
APRIL 2022

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## 1.0 INTRODUCTION

Rt. Hon. Speaker and Hon. Members;

Article 155(4) of the Constitution of the Republic of Uganda, 1995 (As Amended); Section 13(13) of the Public Finance Management Act, 2015 (As Amended); as well as Rules 146 and 189 of the Rules of Procedure of Parliament provide for the mandate of Sectoral Committees. In particular, the functions of the Committee on Presidential Affairs include the following, among others;

- i. Examine and comment on policy matters affecting Ministries, Departments and Agencies under their jurisdiction and
- ii. Critically examine Government's Recurrent and Development Budget Estimates and make recommendations for general debate in the House.

In line with this mandate, the Committee on Presidential Affairs presents for your consideration and adoption the report in respect of the Ministerial Policy Statements for FY 2022/23.

### 1.1 METHODOLOGY

The Committee analyzed the proposed policies and proposed budget allocations of the Votes under its jurisdiction to establish whether the proposed policies and budget allocations are consistent with the overall Planning Framework, approved Budget Framework Paper and the program objectives.

The Committee scrutinized and analyzed the following:

- a. The Ministerial Policy Statements for FY 2022/23;
- b. Report of the Committee on Budget on the National Budget Framework Paper for FY 2022/23 – FY 2026/27;
- c. Budget Call Circular and;
- d. Presentations from the Political Leadership and technical teams from;

Vote 001 – Office of the President (OP)

Vote 002 – State House (SH)

Vote 003 – Office of the Prime Minister (OPM)

Vote 023 – Ministry of KCCMA

Vote 107 – Uganda AIDS Commission (UAC)

Vote 110 – Uganda Industrial Research Institute (UIRI)

Vote 112 – Directorate Ethics and Integrity (DEI)

Vote 122 – Kampala Capital City Authority (KCCA)

Vote 158 – Internal Security Organization (ISO)

Vote 159 – External Security Organization (ESO)

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The Ministries Departments and Agencies (MDAs) under the Committee on Presidential Affairs are domiciled in different Programs ranging from Governance and Security Human Capital Development, Community Mobilization and Mindset Change, Regional Development, Development Plan Implementation and Innovations, Technological Development and Transfer among others.

The report has three parts. Part I covers the Presidency whilst Part II relates to the Kampala Capital City Authority and Part III covers Office of the Prime Minister.

Rt. Hon. Speaker and Hon. Members, the Committee now wishes to report its findings.

## **PART I – PRESIDENCY**

The Presidency is comprised of Vote 001 (Office of the President), Vote 002 (State House including Science, Technology and Innovations), Vote 023 (Ministry of Kampala Capital City Authority and Metropolitan Affairs), Vote 107 (Uganda AIDS Commission), Vote 112 (Ethics and Integrity), Vote 158 (Internal Security Organization) and Vote 159 (External Security Organization).

### **2.0 VOTE 001 – OFFICE OF THE PRESIDENT**

#### **2.1 Mandate**

The mandate of the Office of the President is to provide overall leadership in Public Policy management and Good Governance across Government.

#### **2.2 Budget Performance Overview for Vote 001, 3Q - FY 2021/22**

**Table 1 - Budget Performance for 3Q - FY2021/22 (UGX. Billion):**

Category	Approved Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	17.492	13.119	10.883	75.0%	83.0%
Non-wage	98.650	96.950	80.482	98.3%	83.0%
Dev-GoU	15.496	24.360	0.972	157.2%	4.0%
Arrears	9.886	9.886	9.886	100%	100%
<b>TOTAL</b>	<b>141.524</b>	<b>144.3</b>	<b>102.2</b>	<b>102%</b>	<b>71%</b>

In the FY 2021/22, UGX 141.524 bn was appropriated to Vote 001 of which wage was UGX 17.492 bn, non-wage recurrent was UGX 98.65 bn, domestic development category was UGX. 15.496 bn and Arrears of UGX.

9.886 bn. As of end of Q3 (March 2022), total releases amounted to UGX 144.3 bn and actual expenditure amounted to UGX. 102.2 bn.

The released funds performed at 102% and expenditure outturn registered 71% absorption rate. The release performance was largely on account of supplementary budget of UGX. 13.88 bn to cater for non-wage recurrent expenditure category in form of COVID-19 response (UGX.6.94 bn), Prof. Mondo Kagonyera Court Awards (UGX.3.94 bn), kick-starting the APEX Platform (UGX. 3.0 bn) and development expenditure category in form of purchase of motor vehicles and furniture for Presidential Advisors (UGX. 8.3 bn).

### 2.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 001

Table 2 - Approved FY2021/22 and Proposed FY2022/23 Budget (UGX.Bn)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	17.492	25.588	46%
Non wage	98.650	123.433	25.1%
Dev-GoU	15.496	9.298	(40)%
Dev-Ext	0	0	0
<b>TOTAL</b>	<b>131.638</b>	<b>158.316</b>	<b>20.3%</b>

In the FY 2022/23, the total proposed allocation to Vote 001 is UGX 153.318 bn, reflecting a 20.3% increment against the FY 2021/22 approved budget.

Proposed allocations to wage and non-wage recurrent expenditure categories are proposed to experience 46.3% and 25.1% increments respectively reduction while Domestic Development expenditure category is indicated to experience a 40% reduction against the FY 2021/22 approved levels.

Office of the President implements activities that fall under Governance and Security Program, Development Plan Implementation Program and Community Mobilization and Mindset Change Program.

### 2.4 Medium Term Policy Objectives and Alignment to NDP III

The medium-term policy objectives for the vote are; to support the provision of overall leadership in public policy management and promotion of good governance in public institutions, provide efficient and effective support to Cabinet in discharge of its Constitutional mandate of formulating and implementing government policies, monitor and evaluate

government policies, programs and projects and mobilize the population towards achieving social and economic development.

These medium-term policy objectives are intended to feed into the fifth objective of NDP III, which is "strengthening the role of the State in development" and National Development Program III, which is "Development Plan Implementation".

## **2.5 OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the proposed budget allocations for Vote 001 and established that, the proposed budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

### **2.5.1 Budgetary Provision to the Ministry of Security**

The Ministry of Security coordinates the Security Sector. Under the guidance and direction of H.E the President, the Ministry of Security is to "follow-up on threats against the national economic and development activities of Government, good governance problems and conspiracies, collect intelligence, evidence and present to appropriate body for necessary action".

The Committee was informed of numerous threats like hacking into the financial systems, cyber space and Oil & Gas among others that if not checked compromise national security.

The Committee notes with concern that the budget provision in the MTEF ceiling for Vote 001 to fund the planned activities in form of analyzing counter intelligence reports, coordinating security agencies, developing and issuing security guidelines is inadequate to enable execution of the envisaged mandate.

The funding requirement for what the Committee considers very critical is UGX. 16.90 bn and only UGX. 6.90 bn is provided resulting into a funding gap of UGX. 10.0 bn.

**The Committee recommends that UGX. 10.0 bn be availed to enable the Ministry of Security mitigate threats of cyber insecurity, economic and financial surveillance and Oil & Gas related insecurity.**

### 2.5.2 Facilitation for Resident District Commissioners (RDCs)

The Committee was informed that the Office of the President requires UGX. 17.2 bn to facilitate Resident District Commissioners to monitor implementation of Government programs but only UGX 9.7Bn is provided for in the MTEF ceiling resulting into a funding gap of UGX 7.5Bn. The office further requires UGX 4.5Bn for recruitment of 02 (two) Administrative Assistants per district to mobilize masses and aid the RDC's office in providing oversight to the delivery of services in their area of jurisdiction. There is need for retooling of their offices with computers, furniture, laptops and facilitation to enable them carry out their critical role.

The Committee noted that the budget provision to the Office of the President in as far as facilitation for RDC's is concerned has not experienced any substantial enhancement for a long time despite the increase in the number of Districts. The number of Districts has increased from 80 Districts to 98 Districts, then 112 Districts, 116 Districts, 122 District, 128 in the FY 2018/19, 135 Districts in FY 2019/20 and now stands at 146 Districts which in accordance with provisions of Article 203 (1) of the Constitution of the Republic of Uganda, 1995 (Amended) translates to the increased number of RDCs with the associated costs.

Members further noted that the inadequate facilitation for RDCs to strengthen effective monitoring of Government programs leads to poor implementation of Government Programs and therefore poor service delivery.

The Committee therefore recommends that;

- (i) **Additional UGX 7.5Bn be provided to the Office of the President to facilitate the RDCs to carry out effective oversight on the delivery of Government services countrywide;**
- (ii) **UGX 4.5Bn be provided to facilitate recruitment of 02 Administrative Assistants at each district to support RDCs in mobilization of masses.**

### 2.5.3 Provision of adequate office accommodation for RDCs

The Committee was informed that Office of the President has deployed a total of 146 RDCs of which 107 are renting while the rest are housed in the office spaces available in the various District Local Governments. The Committee was informed that funds available to Office of the

President can only facilitate construction of only one Office block per Financial Year and that at this rate, it may take 100 years to address Office accommodation issues of RDCs. In order to provide secure, decent and affordable office accommodation to the RDCs, the Committee considers annual construction of 10 offices for RDCs as ideal and this will require UGX 7.0Bn during FY 2022/23.

**The Committee therefore recommends that additional UGX. 6.3 bn be provided to Vote 001 to facilitate construction of office accommodation for the RDCs.**

#### **2.5.4 Facilitation to the RDCs Secretariat**

The Committee was informed that RDC Secretariat plans to investigate and report on 4 quarterly service delivery issues, build capacity of five staff members of the RDC Anti-Corruption Secretariat in M & E and Public Policy Analysis, build capacity of RDCs and DRDCs in eight sub-regions and popularize Government Programs through 1,752 awareness campaigns among others. The planned interventions require UGX. 2.30 bn but only UGX. 0.8 bn is provided for in the MTEF ceiling of Vote 001 resulting into a funding gap of UGX, 1.50 bn.

The Committee considers the RDCs Secretariat a long-awaited intervention to address the concerns of the public in regard to operations of the RDCs.

**The Committee therefore recommends that UGX. 1.50 bn be provided to Vote 001 to facilitate the operations of the RDC Secretariat.**

#### **2.5.5 Facilitation to Presidential Advisors**

H.E the President appointed 139 Presidential Advisors. This necessitated that, Office of the President provides an enabling environment to enable them deliver on their mandates.

The Committee was informed that Office of the President requires UGX. 8.3 bn to facilitate the Presidential Advisors in form of Office rent and allowances but only UGX. 3.2 bn was provided in the MTEF ceiling of Vote 001 to cater for Office rent and other associated logistics. This results into a funding gap of UGX. 5.1 bn.

**The Committee recommends that, UGX. 5.1 bn be provided to Vote 001, Office of the President to facilitate the operations of the appointed Presidential advisors.**

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### 2.5.6 Public Policy Executive Oversight Forum - Apex Platform

Cabinet under MIN. 482 (CT 2018) dated **November 5<sup>th</sup> 2018** approved a recommendation to establish a Public Investment Management Systems code named the “**Apex Platform**” for the uptake, learning and decision-making. The establishment of the Apex Platform was envisaged to come with the benefits of reducing Uganda’s losses resulting from the inefficiencies in spending (World Bank 2017) and addressing low absorption capacity that has resulted into high commitment fees on loans and grants (MFPED 2018).

The Committee was informed that, establishment of the Apex Platform will strengthen the participation of the Presidency in the Public Investment Management System (PIMS) and provide an effective forum for the Executive to review, reflect, learn as well as adopt recommendations for an effective PIMS regime.

The Committee established that, despite the Cabinet Resolution under MIN 482 (CT 2018), interventions under the Apex Platform have been provided UGX. 4.7 bn against the required amount of UGX. 34.119 bn resulting into a funding gap of UGX. 29.419 bn that was envisaged to facilitate preparation of the Evidence Based Oversight Executive Report for NDP III and follow up on the implementation of Executive Decisions from M & E of Government Programmes (UGX. 17.455 bn) and Procurement of the APEX Platform Eco System Management Tool and Equipment (UGX. 8.454 bn ) among others.

**The Committee recommends that UGX. 29.419 bn be provided to Vote 001 to facilitate the operationalization of the Apex Platform to hold MDAs accountable for the levels of efficiency in service delivery.**

### 2.5.7 Monitoring the Mainstreaming of Manifesto Commitments

The Committee observes that the importance of the Manifesto Implementation Unit cannot be over emphasized. The Unit ensures that the Manifesto commitments are mainstreamed in the relevant Programs of MDAs and conducts camps to evaluate the status while at the same time amplifying the achievements to the public.

The budget provision in the MTEF ceiling for Vote 001 to fund the planned activities of the Manifesto Implementation Unit is inadequate to enable execution of the envisaged mandate.

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The funding requirement for the Manifesto Implementation Unit is UGX. 4.05 bn and only UGX. 2.20 bn is provided for in the MTEF ceiling of Vote 001 resulting into a funding gap of UGX. 1.85 bn.

**The Committee recommends that UGX. 1.85 bn be provided to Vote 001 to enable the Manifesto implementation Unit effectively monitor the mainstreaming of Party Manifesto in all MDAs and LGs.**

#### **2.5.8 Construction of the Afro Arab Youth Council Headquarters**

The Afro Arab Youth Council (AAYC) was formed by the Youth of the African and Arab World gathering in Khartoum (Susan) in 2004 with Uganda as one of the founding Member states and headquarters of the Secretariat. The Committee was informed that, Uganda as a host of the AAYC International Headquarters was under obligation to provide land while the other AAYC Member Countries have committed to fund the construction of the Office Block, a stadium, a Cultural heritage Centre, a hotel and associated recreational facilities and a leadership and governance school. The Committee noted that, the desired 50 acre land to host the said facilities has been identified in Kitende – Nakawuka and requires UGX. 15.0 bn but it has not been provided for in the proposed budget allocation to Vote 001.

**The Committee recommends that UGX. 15.0 bn be provided to Vote 001 to enable the acquisition of the 50 acres of land located in Kitende – Nakawuka to house the AAYC International Headquarters.**

#### **2.5.9 Implementation of the Intelligent Transport Monitoring System**

The Committee was informed that in July 2021, Government of Uganda signed an agreement with Joint Stock Global Security to implement the Intelligent Transport Monitoring System that is aimed at tracking vehicles and motorcycles with an aim of reducing crime and improving security. This was followed by the inauguration of the Project monitoring Team (PMT) to monitor the implementation of the project with representation from Key Stakeholder Agencies.

The Committee noted that the PMT activities require funding of UGX 1.5Bn but no funds have been allocated for the activity.

**The Committee therefore recommends that UGX 1.5Bn be allocated to Vote 001 for activities of PMT during implementation of the Intelligent Transport Monitoring System to reduce crime and improve security in the FY 2022/23.**

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### 3A.0 VOTE 002 – STATE HOUSE

#### 3A.1 Mandate

The mandate of the State House is to provide at all times, support to the Presidency, in order to facilitate effective and efficient performance of its constitutional and administrative responsibilities.

#### 3A.2 Budget Performance Overview for 3Q - FY 2021/22 for Vote 002

Table 3 - Budget Performance for 3Q - FY2021/22 (UGX. Billion):

Category	Approved Annual Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	18.872	16.493	15.422	87.4%	93.5%
Non-wage	379.025	438.441	359.061	115.7%	81.9%
Dev-GoU	12.338	5.659	4.772	45.9%	84.3%
<b>TOTAL</b>	<b>410.236</b>	<b>460.592</b>	<b>379.255</b>	<b>112.3%</b>	<b>82.3%</b>

In the FY 2021/22, UGX 410.236 bn was appropriated to Vote 002 of which wage was UGX 18.872 bn, non-wage recurrent was UGX 379.025 bn, while domestic development category was UGX. 12.338 bn.

As of end of Q3; FY 2021/22 (March 2022), total releases amounted to UGX 460.592 billion and actual expenditure amounted to UGX. 379.255 billion. The released funds performed at 112.3% against the approved budget on account of supplementary budget on emerging issues of classified nature which necessitated UGX. 100 billion; and for research and development of the COVID-19 Vaccine amounting to UGX. 6.622 billion; while actual expenditure registered a performance of 82.3% absorption rate.

#### 3A.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 002

Table 4 - Approved FY2021/22 and Proposed FY2022/23 Budget (UGX. Billion)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	18.872	22.637	20.0%
Non wage	379.025	370.579	(2.2)%
Dev-GoU	12.238	34.204	194%
<b>TOTAL</b>	<b>410.236</b>	<b>429.420</b>	<b>4.7%</b>

In the FY 2022/23, the total proposed allocation to Vote 002 is UGX 429.42 billion, reflecting a modest increment of 4.7% against the FY

2021/22 approved budget. This is largely on account of substantial increment in proposed allocation to domestic development expenditure category.

### **3A.4 – Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objectives for Vote 002 are to provide adequate logistical and technical support for efficient operations of the Presidency and ensure Security and Welfare of the President. The Presidency will remain committed to the promotion of wealth creation programmes for socio-economic transformation, Trade, Tourism and Investment as well as International relations, Regional Integration, Regional Peace Initiatives and Good Governance.

These medium-term policy objectives are intended to feed into the achievement of the fifth Objective of NDP III, which is “strengthening the role of the State in development and National Development Programs 4, 10, 11 and 14, which are “Tourism Development”; “Human Capital Development and Social Protection”, “Community Development and Mind-Set Change” and “Governance and Security Strengthening” respectively.

### **3A.5 – OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the proposed budget allocations for Vote 002 and established that, the proposed budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

#### **3A.5.1 Presidential Donations**

State House requires UGX. 83.033bn to facilitate payment of pending donations but only UGX. 53.033bn is provided for in the MTEF ceiling, resulting into a funding gap of UGX. 30.0 bn. Information availed to the Committee indicates that unfulfilled Presidential Pledges were among the key budget execution challenges to State House year in year out.

The Committee observes that, the demand for Presidential Donations is ever increasing and calls for enhanced allocation.

**The Committee recommends that UGX. 30.0 bn be provided to State House to facilitate the fulfilment of the Presidential Donations.**

### 3A.5. 2 Poverty Alleviation Initiatives (Model Villages)

The Committee was informed that, there are twenty-seven (27) Model Villages under the PAD distributed throughout the four regions of the country with eight (8) in Central (in Kalungu, Masaka, Nakaseke, Goma/Sembabule, Luwero and Wakiso) , seven (7) in Western (in Bushenyi, Kamwenge, Rukungiri, Sheema and Ntungamo), eight (8) in Eastern (in Busia, Kaliro, Tororo, Kamuli, Sironko, Iganga, Kibuuku and Mbale) and four (4) in the North (in Otuke, Kitgum, Adjumani and Madi-Okolo). Efforts to roll out this intervention to more areas whilst continuing with the support of the existing ones has been operating on a budget of UGX 2.0 Bn. Information provided to the Committee indicates that the unit cost of interventions in a Model Villages is UGX 0.60Bn which translates to UGX 16.2Bn for the 27 Model Villages.

During the on-spot assessment of Poverty Alleviation Initiatives, the Committee noted with serious concern the human resource structural gaps affecting the operations of the Model Villages. Whereas the program is implemented in many districts, there were no staff to coordinate Model Villages Initiatives at District. Majority of the staff work on voluntary basis. Efforts to establish the coordination structure at the grassroots have remained weak. Without strong coordination, the sustainability of the program cannot be guaranteed.

The Committee therefore recommends that;

- (i) **Government provides UGX 14.2.0Bn to enable State House effectively support the 27 model villages to produce in a commercially viable manner and also explore avenues of rolling out the initiative;**
- (ii) **State House increases support to the Poverty Alleviation Department through recruitment of full time and competent staff were PAD projects are to ensure project/program sustainability.**

### 3A.5.3 Retooling State House

The Committee was informed that Vote 002 plans to maintain Entebbe State House Complex to the required standard, repair and maintain Nakasero State Lodge and the 23 upcountry State Lodges. The Committee established that, these interventions require UGX. 39.358 bn but only UGX. 12.338 bn is provided in the MTEF ceiling of Vote 002 resulting into a funding gap of UGX. 27.02 bn.

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**The Committee therefore recommends that UGX. 27.02 bn be provided to Vote 002 to facilitate the retooling intervention of State House.**

### **3B.0 SCIENCE, TECHNOLOGY AND INNOVATIONS**

The Committee recalls that on Wednesday 08<sup>th</sup> September, 2021, Parliament debated a motion to transfer UGX 265.431Bn from Vote 023: Ministry of Science, Technology and Innovation to Vote 002: State House. During the course of the debate, the Attorney General guided that under the law, money has to follow the mandate and therefore proposed that the money requested be transferred to office of the President and that a new vote should be created under the Presidency for the functions of Science, Technology and innovation.

During consideration of the Ministerial Policy Statement for FY 2022/23 for the Presidency, it was revealed to the Committee that the Presidential Directive as embedded in his letter **Ref: HPS75/108/01**; dated June 2021, H.E the President guided that the portfolio of Science, Technology and Innovation be placed under State House for direct supervision and effective management in addition to providing high level strategic focus to the sector.

The Committee is privy to the interim structure for the Secretariat of Science, Technology and Innovation-Office of the President issued by Ministry of Public Service as per the President's Directive contained in a letter Ref: PO/1 dated 29<sup>th</sup> January, 2022 and addressed to the Head of Public Service and Secretary to Cabinet in which he clarified that the new office shall be directly serviced, administration and finance-wise, by the State House Comptroller.

#### **3B.1 Mandate**

The mandate of the Science, Technology and Innovations Secretariat is to mobilize, coordinate and provide strategic oversight and policy guidance to Scientists in MDAs, Local Governments, Academic and Research Institutions among others along the prioritized industrial value chains to increase productivity, import substitution and export of knowledge-based products and services.

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### 3B.2 Budget Performance Overview for 3Q FY 2021/22

**Table 5 - Budget Performance for 3Q - FY 2021/22 (UGX. Billion)**

Category	Approved Annual Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	4.159	2.079	1.501	50.0%	72%
Non Wage	62.717	50.767	43.338	80.95%	85.4%
Dev-GoU	138.148	162.026	98.12	117.3%	60.6%
Dev-Ext	55.705	55.705	55.705	100%	100%
Arrears	4.313	4.313	4.313	100%	100%
<b>TOTAL</b>	<b>265.042</b>	<b>274.89</b>	<b>202.98</b>	<b>103.7%</b>	<b>73.8%</b>

In the FY 2021/22, UGX 265,042 bn was appropriated to STI of which wage was UGX 4.159 bn, non-wage recurrent was UGX 62.717 bn, domestic development category was UGX. 138.1488 bn and External Financing of UGX. 55.705 bn.

As of end of the Q3; FY 2021/22 (March 2022), total releases amounted to UGX 274.89 billion and actual expenditure amounted to UGX. 202.98 billion. The released funds performed at 103.7% against the approved budget largely on account of supplementary budget to PRESIDE of UGX 27.1 bn to facilitate PRESIDE in its research and development of the COVID-19 vaccine while actual expenditure registered a performance of 73.8% absorption rate. Members may wish to note another supplementary budget of UGX. 50.1 bn was approved to facilitate construction of the vaccine plant under PRESIDE and UGX. 141.0 bn to facilitate implementation of activities for KMC that were planned for Phase II. The approved supplementary budgets for PRESIDE and KMC are due for release in Q4.

### 3B.3 Proposed Budgetary Allocations for FY 2022/23 for STI

**Table 6 - Approved FY2021/22 and Proposed FY2022/23 Budget (UGX.Bn)**

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	4.159	4.159	0.0%
Non wage	62.717	61.131	(3.0)%
Dev-GoU	138.147	138.147	0.0%
Dev-Ext	55.705	44.250	(20.6)
<b>TOTAL</b>	<b>260.728</b>	<b>247.687</b>	<b>(5.0)%</b>

In the FY 2022/23, the total proposed allocation to STI is UGX 247.687 bn, reflecting a 5% reduction against the FY 2021/22 approved budget.

Proposed allocations to non-wage recurrent expenditure category indicated to experience a reduction on account of lean staff to service the Secretariat and savings Office accommodation.

### **3B.4 Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objectives for STI Secretariat are to coordinate and facilitate research, innovations and technology transfer along the prioritized industrial value chains namely, Pathogen Economy, Mobility, Industry 4.0+, infrastructure innovations, Aeronautics and Space Science for increased productivity, import substitution and export.

These medium-term policy objectives are intended to feed into Program 13 which is Innovations, Technology Development and Transfer.

### **3B.4 OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the proposed budget allocations for STI and established that, they are consistent with the overall Program objectives of the National Development Plan III.

#### **3B.4.1 Ownership of the STI Projects in the Country**

The Committee undertook on-spot assessment of activities implemented by Subventions and Projects under STI in different parts of the Country and noted significant hopes and anxiety of communities from the project sites implemented by Sericulture, NSTEI-SEP, Kiira Motors Corporation and PIBID.

The Committee established that there is great potential for the interventions under STI to act as an engine to trigger development in the Country as these contributed to skills enhancement and employment.

The Committee observed that, there was inadequate involvement of local communities in the operations of the said interventions in all areas hosting the implementation sites. The Committee also identified the need for explicit framework detailing the relationship with Government.

#### **3B.4.2 Structure of the STI Secretariat**

The Committee established that, there is no formal structure for the STI secretariat to effectively execute the mandate that was envisaged. The current structure is interim and this cannot effectively deliver the aspirations of STI.

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**The Committee recommends that, Public Service expedites establishment of the permanent STI Structure to enable the STI Sector achieve the aspirations.**

### **3B.4.3 Proposed Budget Allocations to Projects, Subventions and Agencies under STI**

The Committee scrutinized the proposed allocations to projects, subventions and agencies under STI. The Committee established that Kiira Motors Corporation (KMC) was at the brink of commercialization and requested for frontloading of funds to enable them expedite implementation of activities of Phase II and thereafter transit to commercialization. KMC made a commitment that if the request to frontload capitalization is honoured, they would only require UGX 12.5 bn as operational expenses for three financial years to full sustainability (See Appendix 1).

**Consequently, the Committee recommends that UGX 12.50 bn be appropriated to Kiira Motors Corporation to facilitate operational expenses in the FY 2022/23. This results into a saving of UGX 65.3 Bn and the Committee recommends that out of this, UGX 19.7Bn be re-allocated to the construction of the Centralized One-Stop state-of the art- Scientific Laboratory, UGX 5.18 Bn to the Anti-Tick vaccine trials and UGX 2.0bn be re-allocated to construct the one Bio Bank while the balance of UGX 38.3Bn is recommended to enhance the allocation to Innovation Fund.**



**Table 7 - Recommended FY 2022/23 Budget Allocations for STI**

		<b>FY 2021/22</b>	<b>FY2022/23</b>
	<b>Category</b>	<b>Approved</b>	<b>Allocation</b>
1	<b>Wage (STI Secretariat)</b>	<b>4.16</b>	<b>4.16</b>
2	<b>Non Wage Recurrent (STI Secretariat)</b>	<b>10.19</b>	<b>10.19</b>
3	<b>DEVELOPMENT</b>	<b>244.102</b>	<b>233.343</b>
a	Kiira Motors Corporation (KMC)	77.09	12.50
b	Presidential Initiative on Banana Industrial Development (PIBID)	29.00	29.00
c	Sericulture Technologies & Innovations to TRIDI	16.43	16.43
d	NSTEIC	19.40	19.40
e	Presidential Scientific Initiative on Epidemics (PRESIDE)	25.00	25.00
f	National Research and Innovation Programme (NRIP)/Innovation Fund.	10.00	48.3
g	UNCST Retooling	0.50	0.50
b	Shea Butter Value Chain Research	2.00	2.00
h	Sweet Potato Value Chain Research	2.00	2.00
i	STI Secretariat Retooling	0.14	0.14
j	UNCST Operations	6.85	6.85
k	External Financing for NSTEIC	55.70	44.25
l	Construction of Centralized One Stop Centre State of Art Scientific Laboratory	0.00	19.70
m	Anti-Tick Vaccine Trials	0.00	5.18
n	Construction of Bio Bank	0	2.00
	<b>Grand Totals</b>	<b>258.45</b>	<b>247.687</b>

#### **3B.4.4 Need for a Bio Bank**

The Committee was further informed that for successful scientific and technological investigations in the pathogen economy, there is to establish a Bio Bank for safe custody of pathogens. The total budget requirement for the Bio Bank is UGX 2.0Bn. The Committee however, observes that this activity has no budgetary allocation both in the annual and MTEF projections.

**The Committee therefore recommends that UGX 2.0Bn be provided to construct the one Bio bank from the savings identified earlier from KMC; for safety custody of pathogens for scientific investigations.**

#### **3B.4.5 Funding for Shea Butter and Sweet Potato Research**

The Committee acknowledges the initiative for investigations and innovations in the areas of Shea Butter and Sweet Potato Research. The Committee established that UGX 2.0 bn was allocated for each of the projects in FY 2021/22. The Committee considers Shea Butter and Sweet Potato Value Chain Research critical to this Country.

**The Committee recommends retention of UGX 2.0 bn for Shea Butter and Sweet Potato Value Chain Research and Innovation during FY 2022/23.**

#### **3B.4.6 Support to Research and Development Projects**

Presidential Scientific Initiative on Epidemics (PRESIDE) aims at harnessing Science through think tanking, networking and building capacity of scientists and institutions, providing technical support and funding focused on priority value chains aimed at industrialization and commercialization.

The challenges posed by the COVID-19 Pandemic inspired PRESIDE to adopt an R & D Model aimed at fast tracking development of products that will help respond to outbreaks and contribute to economic growth of the Country.

The Committee established that 23 projects under been established under this initiative (see attachment in annex).

The Committee was informed that the required funds for the Diagnostic Project is UGX. 105.5 bn but only UGX. 37.5 bn is provided in the MTEF ceiling of STI resulting into a funding gap of UGX. 68.0 bn.

The Committee was informed that some of the PRESIDE projects had progressed to commercialization stage and these include the Polymerase Chain Reaction (PCR) with prototypes in place. The Committee established that Government had acquired four (4) acres of land in Mityana under the Uganda Land Commission to commence mass production.

The Committee was further informed that a number of projects are at Research and Development level and they include Anti-Tick vaccine which requires UGX 5.18Bn to conduct clinical trials, the Anti-Body

Diagnostic Kit for COVID-19 and Saliva Diagnostic Kit among others.

The Committee observes that STI has prioritized the construction of the BSL4 lab and the Anti-Tick vaccines as critical interventions that in addition to helping the Country respond to outbreaks, contributes to the economy in form of exports and import substitution respectively.

**The Committee has already recommended re-allocation of UGX 5.18bn from the saving on KMC to facilitate Anti-Tick vaccine clinical trials.**

### **3B.4.7 Space Science and Technology**

The Committee was informed that space science technology enables countries to observe the earth from space and to generate essential information on agriculture, security, and natural resources from earth observation.

The Committee was made aware of a team of Ugandan students based in Tokyo, Japan who have ventured in space science and have successfully built a satellite due to be launched to the space station this year from Japan. The satellite would be Ugandan owned and will relay vital data from the space to the country through the Mpoma State satellite station.

However, the Committee noted that budget shortfalls and gaps in the legal and policy frameworks in space science are primary impediments to the development of the sub sector. The only existing framework supporting innovations is the National Research Policy that may require comprehensive review to address specific innovation hiccups.

**The Committee commends H.E the President for a Cabinet resolution to support innovation in STI and in this case space science. This is a gesture that requires support and financing to enable the industry thrive and succeed.**

### **3B.4.8 Centralized One Stop Lab for Scientific Investigations and Innovation**

The Committee observed that there was need to have a modern state-of-the-art centralized one-stop laboratory in the country as a pull factor for the country's scientists into one area for purposes of sharing space, knowledge, best practices and experience to support all scientific investigations.

The Committee is persuaded that the establishment of a modern state-of-the art centralized one-stop laboratory in the country will not only act as a pull factor for the country's scientists into one area for purposes of sharing space, knowledge, best practices and experience to support all scientific investigations but will also minimize silo-styles of scientific researches and investigation under ill-equipped laboratories, inappropriate conditions and obsolete technology.

The Committee observed that no resources have been allocated in the budget for that undertaking in FY 2022/23 yet it would require a total of UGX 19.7Bn to kick start phase one of the project.

**The Committee has already recommended re-allocation of UGX 19.7 Bn to STI for the construction of a modern state-of-the art centralized one-stop laboratory in the country.**

#### **3B.4.9 The Garment Hub at National Science, Technology, Engineering and Innovation Centre (NSTEIC)**

The National Science, Technology, Engineering and Innovation Skills Enhancement Project (NSEI-SEP) ensures that Ugandans design, implement and manage key infrastructural projects and create globally competitive businesses. The project provides integrated learning factories that will ensure the practical retooling and skilling of science & engineering professionals and production of real marketable products to enhance Uganda's competitiveness.

Information availed to the Committee reveals that the Garment Hub will support both innovation and incubation operations as common user facilities and shared workspaces to facilitate incubatee companies to innovate and produce viable and competitive products and services via product design and pattern making to textile finishing including packaging functionalities.

Civil works for other technology areas covered under the loan are ongoing and are expected to be completed by September 2023. Equipment supply is also underway therefore, provision of funds for the Textile engineering Hub and procurement of the requisite equipment during FY 2022/2023 is critical and will save government from the cost of mobilization of the contractor currently on site and shipment resulting from bulk consolidation.

The Committee established that, the requisite equipment to holistically support the Hub in form of Textile Engineering Machinery & Equipment (UGX. 12.82 bn), construction of Textile Garment Hub (UGX. 31.05 bn) and retooling in form of procurement of furniture and fixtures (UGX. 3.38 bn) are unfunded.

**The Committee recommends that UGX. 19.305 bn be provided to the Project to enable construction of the garment hub and procurement of the requisite equipment to facilitate the nurturing of scientists, innovators and technopreneurs at NSTEIC as a strategic measure.**

#### **3B.4.10 Leather Innovation and Design Hub**

The Innovation and Design Hubs offer technological infrastructure services to support the design and valorization of technological innovations for finished leather processing and textile design as MSMEs production lines.

The Technology Innovation and Business Incubation Centre (TIBIC) containing work spaces and common user facilities for scientists and innovators will be handed over to government by September 2022. To immediately operationalize the center for the country to benefit from the investment and therefore should be equipped with the finished leather design, processing and testing the first of its kind to support Ugandans engaged in finished leather processing to promote import and export subs.

The Committee was informed that procurement of the Finished Leather Processing Equipment and Machinery (UGX. 4.21 bn), Textile Design Technology Equipment (UGX. 2.65 bn), Furniture and Fixtures (UGX.2.20 bn) and Laboratory & Research Equipment (UGX. 3.70 bn) among others, are not provided for in the FY 2022/23 proposed budget.

**The Committee recommends that UGX. 14.758 bn be provided to NSTEIC to facilitate the procurement of the requisite processing laboratory equipment and machinery of the Leather Innovation and Design Hub.**

#### **3B.4.11 Technical Service Centre (TSC)**

The TSC will provide an integrated Park Yard for provision of engineering machinery & equipment maintenance services, and technical support services for equipment leasing & machinery rental to enable Ugandans participate in national infrastructural projects.

The Committee established that the resources required to operationalize Technical Services and Infrastructure (UGX. 2.23 bn), Engineering Machinery & Equipment Maintenance and Services (UGX. 3.16 bn) and Technical Support Services for Equipment Leasing & Machinery rental (UGX. 3.02 bn) remain unfunded in the FY 2022/23 proposed budget.

#### **3B.4.12 Management of the established Mulberry and Construction of rearing houses for Sericulture Project**

The Committee was informed that, the Sericulture Project initiated works for commercialization that shall ensure consolidation of stage one of the cycles, which involves mulberry leaf production, silkworm production, and silk processing.

The Committee established that the UGX 11.408 bn required to undertake these interventions is not provided for in the proposed allocations to the Sericulture Project yet the said interventions are


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The Committee was informed that, provision of the said funds will enable the Sericulture Project manage mulberry on 2000 acres of land to produce about 1000 metric tons of wet silkworm cocoons per year, establish 2000 square meters of Silkworm rearing houses to support silkworm rearing on the established 2000 acres of land and employ over 1000 casual workers in mulberry gardens and additional 1000 workers in silkworm rearing. It was reported that this will be in addition to 85 full time staff and over 630 casual workers who derive their livelihood from the Sericulture Project in addition to the 72 graduate trainees offering technical support at different sites in the Country.

**The Committee recommends that UGX 11.408 bn be provided to Sericulture Project to facilitate the commercialization works in form of continuous management of mulberry establishment on 2,000 acres of land, egg production and supply, rearing houses and the rearing.**

The Committee was informed that, the Sericulture Project has initiated procurement of silk post cocoon central processing facilities and requires additional funds to clear the payment for the machines to be delivered and installed in three regions of the Country. The Committee also established the need to procure land so that Government investment is not housed on privately owned land.



The Committee observes that the UGX. 99.862 bn required for acquiring land for factory establishment and production of raw materials is not provided for in the proposed budget allocation to Sericulture Project.

The envisaged outputs from this level of funding will include procurement of 22, 000 acres of land acquired for factory establishment and production of the minimum raw materials required for processing; an intervention that positions Uganda to export silk and attain import substitution as well. It is expected that, with the procurement of this 22,000 acres of land, additional 1000 full time jobs will be created immediately. The Committee was informed that, at full operation, the said intervention will translate into 10,000 jobs in the next three years.

**The Committee recommends that UGX 99.862 bn be provided to Sericulture Project to facilitate complete procurement of the machines and acquisition of land for the factory within the medium term.**

#### **3B.4.14 Clearance of Payments for Procured Machines**

The Committee was informed that the deposit of funds have been made on silk post cocoon central processing facilities. There is a requirement for additional funds to clear the payment for the machines to be delivered and installed in three regions. There is also need to finalize the acquisition of 22,000 acres of land referred to in the previous observation. This is to ensure that government investment is not housed on privately owned land which leads to wastage of government resources in the long run.

The Committee observes that the UGX 8.3 bn required for clearing procured machines is not provided for in the Sericulture Project.

**The Committee recommends that UGX. 8.3 bn be provided to Sericulture Project to facilitate complete procurement of the machines**

#### **3B.4.15 Building technical and infrastructural capacity for silkworm egg production and supply in Uganda**

The Committee was informed that currently, the sericulture project is dependent on egg production and supply from China. This is not reliable and is very risky in case of natural disasters. Sometimes the eggs hatch during flight and this has continued to cause losses. An additional UGX

1.735bn is required for the project to manage its own sustainable worm egg production and supply chain.

**The Committee recommends that UGX 1.735 bn be provided to Sericulture Project to facilitate the building of technical and infrastructural capacity for silkworm egg production and supply in Uganda.**

#### **4.0 VOTE 023 – MINISTRY OF KCCA & MA**

##### **4.1 Mandate**

The mandate of the Ministry of Kampala Capital City Authority and Metropolitan Affairs is derived from Article 5 (4) of the Constitution of the Republic of Uganda, 1995 (As Amended) and operationalized by the Section 21 of the KCCA Act, 2020 (As Amended) to provide policy and oversight function over KCCA, coordinate the development and provision of physical planning in the Greater Kampala Metropolitan Area that covers the jurisdiction of KCCA, and the districts of Mpigi, Mukono and Wakiso and their respective urban authorities of Nansana, Kira, Makindye-Ssebagabo, Mukono and Entebbe.

##### **4.2 Budget Performance Overview for Q3 - FY 2021/22 for Vote 023**

**Table 8 - Budget Performance for Q3 - FY2021/22 (UGX. Billion):**

<b>Category</b>	<b>Approved Annual Budget</b>	<b>Cumulative Release</b>	<b>Cumulative Expenditure</b>	<b>% of Budget Released</b>	<b>% of Release Spent</b>
Wage	0.490	0.368	0.128	75.1%	34.8%
Non wage	4.010	2.015	2.015	50.2%	100%
Dev-GoU	0	0	0	0	0
<b>TOTAL</b>	<b>4.500</b>	<b>2.383</b>	<b>2.143</b>	<b>53.0%</b>	<b>89.9%</b>

In the FY 2021/22, UGX 4.50 bn was appropriated of which wage was UGX 0.49 bn and non-wage recurrent was UGX. 4.010 bn.

As of end of Q3- FY 2021/22 (March, 2022), total releases amounted to UGX 2.383 bn and actual expenditure amounted to UGX. 2.143 bn. The released funds performed at 53% against the approved budget while actual expenditure registered a performance of 89.9% absorption rate.

### 4.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 023

Table 9 - Approved FY2021/23 and Proposed FY2022/23 (UGX.Billion)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	0.490	0.490	0.0%
Non wage	4.010	3.525	(12.1)%
Dev-GoU	0	0	0.00%
Dev-Ext	0	0	0.00%
<b>TOTAL</b>	<b>4.500</b>	<b>4.015</b>	<b>(10.8)%</b>

In the FY 2022/23, the total proposed allocation to Vote 023 is UGX 4.015 billion, reflecting a modest reduction against the FY 2021/22 approved budget.

### 4.4 Medium Term Policy Objectives and Alignment to NDP III

The medium-term policy objective for Vote 023 is provision of Policy and oversight function over the Kampala Capital City Authority, coordination of the development and provision of proper physical planning in the Greater Kampala Metropolitan Area (GKMA), coordination of the implementation of the Greater Kampala Economic Development Strategy and harmonizing planning issues and addressing physical development challenges within Kampala Capital City and the neighboring districts and municipalities with in GKMA.

These medium-term policy objectives are intended to feed into the achievement of the forth Objective of NDP III, which is “strengthening the coordination, monitoring and reporting frameworks and systems and National Development Programs of Public Sector Transformation, Development Plan Implementation and Integrated Transport and Infrastructure Services.

### 4.5 OBSERVATION AND RECOMMENDATIONS

The Committee analyzed the indicative budget allocations for Vote 023 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

#### 4.5.1 – Policy, Planning and Budgeting Services

The Ministry of Kampala Capital City Authority and Metropolitan Affairs plans to coordinate the implementation of the Greater Kampala Metropolitan Economic Strategy, strengthen expenditure tracking, inspection and accountability on green growth, Right of Way, GKMA GIS

Infrastructure, and offer policy guidance to KCCA as well as the Greater Kampala Metropolitan area among others.

To undertake these critical interventions, the Ministry of Kampala Capital City and Metropolitan Affairs requires UGX. 66.10 bn but only UGX. 4.015 bn is proposed allocation with the MTEF ceiling resulting into a funding gap of UGX. 62.08 bn.

The Committee is cognizant of the fact that Kampala Capital City is the face of Uganda and therefore finds it prudent to empower the Ministry charged with policy guidance with sufficient resources to facilitate its mandate.

**The Committee considers the plight of Vote 023 and calls on Government to enhance the budget allocation in the medium term**

#### **4.5.2 Enhancement of Staff Capacity for high quality performance**

The Committee was informed that in order for the Ministry of Kampala Capital City and Metropolitan Affairs to significantly contribute to the NDP III Programme on Public Sector Transformation, there was need to enhance staff capacity to conduct high quality and impact-driven performance audits in areas of Government Administration, Human Resource Management, Governance, Automation of systems, coordination, Monitoring and Evaluation and Operation. This requires UGX 10.25Bn yet only UGX 3.47Bn has been provided leaving a funding gap of UGX 6.78Bn.

**The Committee therefore recommends that an additional UGX 6.78Bn be provided to KCCA & MA towards enhancement of staff capacity to conduct high quality and impact-driven performance**

#### **4.5.3 Strengthening of expenditure tracking, inspection and accountability on Green Growth**

The Committee noted that whereas KCCA & MA requires UGX 1.05Bn to implement policy planning and budgeting services geared towards strengthening of expenditure tracking, inspection and accountability on green growth within the City and the Metropolitan areas, only UGX 0.05Bn has been allocated towards the intervention leaving a funding gap of UGX 1Bn.

The Committee observes that without budgetary support towards implementation of programmes on expenditure tracking and accountability, it becomes difficult for the Ministry to track wasteful expenditure and provision of oversight over the programmes under its jurisdiction.

**The Committee strongly recommends that additional UGX 1Bn be provided to KCC & MA to facilitate programmes geared towards strengthening expenditure tracking, inspection and accountability on Green Growth within the City and its Metropolitan area.**

#### **4.5.4 Conducting critical feasibility studies within Greater Kampala Metropolitan Area (GKMA)**

The Committee was informed that the Ministry for Kampala Capital City Authority and Metropolitan Affairs has planned to undertake critical feasibility studies in the GKMA in areas of Market development (Feasibility studies and designs of 15 Markets -UGX 14.0Bn), Incubation centers, innovation centers (Feasibility studies and designs this for 5 centers out of the planned 10 -UGX 1.3Bn), Artisan & min-industrial Parks development (Feasibility studies and designs for 3 in Wakiso, Mukono - UGX 1Bn), GKMA modern abattoirs/slaughter areas (Feasibility studies and designs (For 3 modern abattoirs in Nsangi, Kajjansi and Mukono-Wantony- UGX 1.2Bn). However, no funds have been availed for these activities.

The Committee notes with deep concern that whereas markets development and abattoirs establishments are vital in provision of employment, no funds have been availed to facilities studies that would streamline their development and management.

**The Committee therefore recommends that UGX 35.7 Bn be allocated towards undertaking critical feasibility studies in market and modern abattoir development starting FY 2022/23.**

#### **4.5.5 Slum Upgrading detailed studies in GKMA**

The Committee was informed that the Ministry for Kampala Capital City and Metropolitan Affairs has planned to undertake critical feasibility studies in slum upgrading within the GKMA.

It is the opinion of the Committee that, mushrooming slum development in GKMA is a threat that need urgent attention. The Committee observes that this critical intervention requires UGX. 12.1 bn but only UGX. 0.5 bn is provided for in the proposed budget allocation to Vote 023 resulting into a funding gap of UGX. 11.6 bn.

**The Committee therefore recommends that UGX 11.6 Bn be allocated towards undertaking critical feasibility studies on slum upgrading for the FY 2022/23.**

#### 4.5.6 Integrated Transport and Infrastructure Services

The Committee was informed that during FY 2022/23, the Ministry of KCCMA GKMA will commence implementation of a five year USD 550m Greater Kampala Urban Development Program with support from the World Bank. However, the project requires counterpart funding to support feasibility studies in areas of strategic roads for 120 km and 100km of roads, Right of Way (ROW), the GKMA drainage systems (Right of Way (ROW) as well as GKMA junction signalization and Coordination (this involves monitoring, stakeholder engagement and consultation) and would require UGX 32.8Bn, yet no budgetary allocation has been made for the studies.

The Committee further observes that Ministry of KCCA & MA requires a total of UGX14.5Bn to carry out GKMA GIS infrastructure, GKMA Street and road naming (which involves consultation meetings with the GKMA sub-national councils, mapping, procuring the infrastructure and digitalizing them), GKMA detailed physical development plan, Greening infrastructure and urban eco-tourism.

The Committee observes that lack of the required counterpart funding is likely to stall the project and derail the GKMA Master Plan implementation in the areas of integrated Transport and Infrastructural Services.

**The Committee therefore recommends that counterpart funding of UGX 32.8Bn in be availed to the Ministry of KCCA & MA towards implementation of activities on integrated and further UGX 14.5Bn be availed to the vote for GKMA GIS infrastructure, GKMA Street and road naming, GKMA detailed physical development plan, detailed respectively in FY 2022/23 neighbourhood plans, Greening infrastructure and urban eco-tourism.**

#### 4.5.7 Retooling of the Kampala Capital City and Metropolitan Affairs (KCCA & MA) Offices

The Committee was informed that the Ministry for KCCA & MA lacks adequate office accommodation for both the political and technical teams which hinders the Ministry in performing its mandate.

The Committee was noted that during FY 2022/23, the Ministry for KCC & MA has planned to take up sufficient office space to accommodate its entire staff and political leaders and this requires UGX 1.2Bn.

The Committee therefore recommends that UGX 1.2Bn be provided to the Ministry of KCCAMA for the procurement of assorted office equipment and furniture during FY 2022/23.

## 5.0 VOTE 107 – Uganda AIDS Commission

### 5.1 Mandate

The mandate of Uganda Aids Commission is derived from CAP 208 which enjoins the Commission to coordinate the National Multi-sectoral HIV and AIDs response in Uganda with emphasis to HIV prevention.

### 5.2 Budget Performance Overview for 3Q - FY 2021/22 – Vote 107

Table 10 - Budget Performance for 3Q - FY2021/22 (UGX. Billion):

Category	Approved Annual Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	1.320	0.990	0.970	75.0%	98.0%
Non wage	7.922	6.210	5.324	78.4%	85.7%
Dev-GoU	1.850	0.329	0.00	17.8%	0%
<b>TOTAL</b>	<b>11.092</b>	<b>7.529</b>	<b>6.294</b>	<b>67.9%</b>	<b>83.6%</b>

In the FY 2021/22, UGX 11.092 bn was appropriated to Vote 107 of which wage was UGX 1.32 bn, non-wage recurrent was UGX 7.922 bn and domestic development category was UGX. 1.850 bn.

As of end of Q3- FY 2021/22 (March, 2022), total releases amounted to UGX 7.529 bn and actual expenditure amounted to UGX. 6.294 bn. The released funds performed at 67.9% while actual expenditure registered a performance of 83.6% absorption rate.

### 5.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 107

Table 11 - Approved FY2021/22 and Proposed FY2022/23 (UGX.Billion)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	1.320	1.320	0.0%
Non wage	7.922	7.494	(5.4)%
Dev-GoU	1.850	0.940	(9.0)%
Dev-Ext	0.00	0.00	0.0%
<b>TOTAL</b>	<b>11.092</b>	<b>9.754</b>	<b>(18.2)%</b>

In the FY 2022/23, the total proposed allocation to Vote 107 is UGX 9.754 billion, reflecting 18.2% reduction against the FY 2021/22 approved budget largely on account projected decline in allocations to non-wage expenditure category. Uganda Aids Commission falls under the Human Development Program.

#### **5.4 – Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objectives for Vote 107 are to fast-track end of AIDS through efficient coordination and regulation of multi – sectoral HIV response.

These medium-term policy objectives are intended to feed into the achievement of the fourth Objective of NDP III, which is “increasing productivity, inclusiveness and well-being of population” and the National Development Program 10 which is “Human Capital Development and Social Protection.

#### **4.5 – OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the indicative budget allocations for Vote 107 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

##### **5.5.1 Interventions to reduce HIV Prevalence in Uganda**

The Committee was informed that, the Ugandan HIV epidemic remains severe, generalized and heterogeneous, across geographical, socio-demographic and in all economic subgroups.

The Committee was further informed that there is a general increase in the HIV infection rate in Adolescent, Girls and Young Women (AGYW) which needs urgent attention.

The Committee observes that the interventions geared towards mitigating HIV infection especially among the young people include; airing out HIV prevention messages/Talk Shows on local F.M Radios and Parish level zidandolos, HIV school prevention drama and debates require UGX. 3.76 bn but only UGX. 0.376 bn is provided resulting into a funding gap of UGX. 3.4 bn.

The Committee also established that UAC requires UGX. 1.71 bn to accredit 5,000 CSOs to provide HIV prevention services and build capacity of 1,000 Leaders at local level in HIV Prevention at Parish level

and national events but only UGX. 0.59 bn is indicative allocation resulting into a funding gap of UGX. 1.12 bn.

The Committee observes that these interventions will avert the new HIV infections for adolescent girls and boys through behavioural change communication and regulate operations of Civil Society Organizations (CSOs) to ensure adequate coverage of HIV prevention services and sensitize leaders at parish level on HIV prevention across different regions in the country.

**(i) The Committee is alive to the fact that HIV and AIDs scourge is still a threat and real and therefore requires continued interventions if the Country is to mitigate this threat with its associated effects on productivity.**

**(ii) The Committee recommends that, UGX. 4.5 bn be provided to Vote 107 to enable them air out HIV prevention interventions (UGX. 3.4 bn) and facilitate accreditation of CSOs (UGX. 1.12 bn)**

## **6.0 VOTE 110 – Uganda Industrial Research Institute**

### **6.1 Mandate**

The mandate of Uganda Industrial Research Institute is to undertake Applied Research and to develop and/or acquire appropriate technologies in order to create a strong and effective and competitive industrial sector in Uganda.

### **6.2 Budget Performance Overview for 3Q - FY 2021/22 - Vote 110**

**Table 12 - Budget Performance for 3Q - FY2021/22 (UGX. Billion):**

<b>Category</b>	<b>Approved Annual Budget</b>	<b>Cumulative Release</b>	<b>Cumulative Expenditure</b>	<b>% of Budget Released</b>	<b>% of Release Spent</b>
Wage	6.326	4.7445	4.7445	75.0%	100%
Non wage	10.376	7.782	7.782	75.0%	100%
Dev-GoU	2.800	2.1	2.1	75.0%	100%
<b>TOTAL</b>	<b>19.502</b>	<b>14.6265</b>	<b>14.6265</b>	<b>75.0%</b>	<b>100%</b>

In the FY 2021/22, UGX 19.502 bn was appropriated to Vote 110 of which wage was UGX 6.326 bn, non-wage recurrent was UGX 10.376 bn and domestic development category was UGX. 2.80 bn.

As of end of Q3- FY 2021/22 (March, 2022), total releases amounted to UGX 14.626 bn and actual expenditure amounted to UGX. 614.626 bn. The released funds performed at 75.0% while actual expenditure registered a performance of 100% absorption rate.

#### **6.4 Proposed Budgetary Allocations for FY 2022/23 for Vote 107**

**Table 13 - Approved FY2021/22 and Proposed FY2022/23 (UGX.Billion)**

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	6.326	6.326	0.0%
Non wage	10.376	10.376	0.0%
Dev-GoU	2.800	2.800	0.0%
Dev-Ext	0.00	0.00	0.0%
<b>TOTAL</b>	<b>19.502</b>	<b>19.502</b>	<b>0.0%</b>

In the FY 2022/23, the total proposed allocation to Vote 110 is UGX 19.502 billion, reflecting maintenance of the FY 2021/22 approved budget. Uganda Industrial Research Institute falls under the Innovations, Technology Development and transfer.

#### **6.5 Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objectives for Vote 110 are to champion innovations, translate applied research into practical applications that lead to high quality efficient industrial products, processes and create high skilled human resource. These medium-term policy objectives are intended to feed into Program 13 of innovations, technology development and transfer.

#### **6.6 OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the indicative budget allocations for Vote 107 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

##### **6.6.1 Exclusion of Scientists under UIRI on Salary Enhancement**

The Committee observed that whereas the President directed that salaries and remuneration for scientists across the board be enhanced, the ones at Uganda Industrial Research Institute are yet to benefit.

The Committee therefore observes that the exclusion of scientists from other agencies and institutions of Government serves as disincentive to execution of their duties and stands in direct contravention of the Presidential Directive.

**The Committee recommends that the Ministry of Public Service should implement the Presidential Directive to enhance salaries and other remuneration for all scientists across Government.**

### **6.6.2 Expansion of Technology Business Incubation (TBI) services**

In 2006, UIRI established the TBI program to enable start-up enterprises develop and commercialize high value competitive products for the market. The TBI program has since been assimilated as one of UIRI's mainstream activities.

The idea of the program emanates from the fact that entrepreneurs in Uganda often struggle to get the know-how, the know-who, and the funding to take their ideas to market and establish viable sustainable businesses.

The Committee was informed that the UIRI's TBI program aims at providing a framework of support to nurture entrepreneurs into building profitable and sustainable companies with the goal of ensuring that small businesses survive the start-up period where they are most vulnerable, and to produce confident, successful graduates that are well grounded financially and secure in their knowledge of how to run productive technology-based business independently.

The Committee established that, demand for UIRI TBI program continues to grow and has far exceeded the Institute's current capacity. This problem has been compounded by the dilapidation of existing physical infrastructure.

The Committee further established that, regional spread of UIRI TBI services is limited, with certain services being offered only at the Nakawa Campus and therefore creating need for interventions to expand the program so that it matches the demand.

The Committee observes that, the required UGX. 16.0 bn to facilitate the Physical upgrade of the existing pilot plant (UGX. 2.0 bn), Construction of additional facilities (UGX. 5.8 bn) and Machinery and Equipment (UGX. 7.2 bn) among others remain unfunded activities.

The Committee established that the interventions would be implemented in a phased manner covering three Financial Years in which it would require UGX. 6.0 bn, UGX. 6.8 bn and UGX. 3.2 bn in the FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

**The Committee recommends that, UGX. 6.0 bn be provided to Vote 110 to enable expansion of the Technology Business Incubation (TBI) services**

## **7.0 - VOTE 112 – ETHICS AND INTEGRITY**

### **7.1 – Mandate**

The mandate of the Directorate of Ethics and Integrity is to rebuild Ethics and Integrity and coordinate National Efforts in the fight against corruption and consequences of moral decadence.

### **7.2 - Budget Performance Overview for Q3 - FY 2021/22 – Vote 112**

**Table 14 - Budget Performance for Q3 - FY2021/22 (UGX. Billion):**

<b>Category</b>	<b>Approved Annual Budget</b>	<b>Cumulative Release</b>	<b>Cumulative Expenditure</b>	<b>% of Budget Released</b>	<b>% of Release Spent</b>
Wage	3.253	2.718	2.290	83.6%	84.3%
Non wage	6.233	3.844	3.092	61.7%	80.4%
Dev-GoU	0.650	0.650	0.098	100%	15.1%
<b>TOTAL</b>	<b>10.136</b>	<b>7.212</b>	<b>5.480</b>	<b>71.2%</b>	<b>76.1%</b>

In the FY 2021/22, UGX 10.136 bn was appropriated of which wage was UGX 3.253 bn, non-wage recurrent was UGX 6.233 bn and Development expenditure category was UGX. 0.65 bn.

As of end of Q3 - FY 2021/22 (March, 2022), total releases amounted to UGX 7.212 bn and actual expenditure amounted to UGX. 5.480bn. The released funds performed at 71.2% against the approved budget while actual expenditure registered a performance of 76.1% absorption rate.

### **7.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 112**

**Table 15 - Approved FY2021/22 and Proposed FY2022/23 Budget (UGX.Bn)**

<b>Category</b>	<b>FY 2021/22 Approved Annual Budget</b>	<b>FY 2022/23 Proposed Annual Budget</b>	<b>%age Change</b>
Wage	3.253	3.253	0.0%
Non wage	6.233	4.584	(26.5)%
Dev-GoU	0.650	0.354	(45.5)%
Dev-Ext	0	0	0.0%
<b>TOTAL</b>	<b>10.136</b>	<b>8.261</b>	<b>(18.5)%</b>

In the FY 2022/23, the total indicative allocation to Vote 112 is UGX. 8.261 bn, reflecting 18.5% reduction in allocation against the FY 2021/22 approved budget.

The reduction in proposed allocations is largely on account of 26.5% reduction in non-wage expenditure category. Ethics and Integrity falls under Governance and Security Program.

#### **7.4 - Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objectives for Vote 112 are to provide political leadership and coordinate national efforts against corruption and moral decadence, mainstream Ethics and Integrity to propel good governance and spearhead the development of laws, policies and strategies to promote Ethics and Integrity in the Ugandan Society.

These medium-term policy objectives are intended to feed into the achievement of the fifth Objective of NDP III, which is “strengthening the role of the State in Development” and the National Development Program 14 which is “Governance and Security strengthening”.

#### **7.5 – OBSERVATIONS AND RECOMMENDATIONS**

The Committee analyzed the indicative budget allocations for Vote 112 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

##### **7.5.1 – Coordination of Inter-Agency Forum Activities (IAF) on Corruption**

The Directorate of Ethics and Integrity plans to coordinated IAF activities and strengthen Anti-Pornography mechanisms through creating Public Awareness on the dangers of pornography, detecting and prohibiting pornography among the public and apprehending and prosecuting pornography offenders in an effort to improve morals in the Country. In FY 2022/23, this intervention requires UGX. 1.2 bn but only UGX. 0.05 bn is provided resulting in the funding gap of UGX. 1.15 bn.

**The Committee recommends that UGX. 1.15 bn be provided to enable the Directorate of Ethics and Integrity execute its mandate of coordination of national efforts in the fight against corruption and consequences of moral decadence.**

### 7.5.2 - Dissemination of Anti-Corruption laws.

The Committee observed that corruption is on the increase in the country and this is attributed to minimal campaign against it by the mandated agency. It was further noted that the one-off Anti-Corruption Day does not create significant impact. The Committee was informed that fighting corruption and moral decadency is a collective responsibility of all stakeholders. Therefore, the Directorate of Ethics and Integrity has planned to carry out nationwide sensitization against corruption targeting schools and higher institutions of learning. This is meant to change the mindset of the young people and their view towards corruption. However, this critical activity is inadequately funded. For instance, out of the UGX 3.0bn budgeted for formulation and dissemination of anti-corruption laws, only UGX 0.15 bn was allocated in the MTEF ceiling, leaving a funding gap of UGX 2.85 bn.

**The Committee therefore recommends that UGX 2.85 bn be provided to Ethics and Integrity to enable them to effectively execute their mandate.**

## 8.0 VOTE 158 – INTERNAL SECURITY ORGANIZATION (ISO)

### 8.1 – Mandate

The mandate of Internal Security Organization is derived from Section 3, CAP 305 of the Laws of Uganda which enjoins Internal Security Organization to collect and process intelligence information on internal threats of Uganda and to recommend to H.E the President or any other authority as the President may direct on what action should be taken on the basis of such intelligence information.

### 8.2 - Budget Performance Overview for Q3 - FY 2021/22

Table 16 - Budget Performance for Q3 - FY 2021/22 (UGX. Billion)

Category	Approved Annual Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	45.201	33.901	33.901	75.0%	100%
Non wage	47.908	62.710	61.129	130.9%	97.5%
Dev-GoU	5.411	9.264	9.264	171.2%	100%
Arrears	18.822	18.822	18.822	100%	100%
<b>TOTAL</b>	<b>117.042</b>	<b>123.116</b>	<b>123.116</b>	<b>105.2%</b>	<b>100%</b>

In the FY 2021/22, UGX 117.042 bn was appropriated to ISO of which wage was UGX 45.201 bn, non-wage recurrent was UGX 47.908 bn, domestic development category was UGX. 5.411 bn and Arrears of UGX. 18.822 bn.

As of end of Q3- FY 2021/22 (March 2022), total releases amounted to UGX 123.116 billion and actual expenditure amounted to UGX. 123.116 billion. The released funds performed at 105.2% against the approved budget while actual expenditure registered a performance of 100% absorption rate.

### 8.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 158

Table 17 - Approved FY2021/22 and Proposed FY2022/23 Budget (UGX.Bn)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	45.201	52.461	16.1%
Non wage	47.908	68.797	43.6%
Dev-GoU	5.411	2.795	(48.3)%
Arrears	18.822	13.332	(29.2)%
<b>TOTAL</b>	<b>117.042</b>	<b>124.052</b>	<b>6.0%</b>

In the FY 2022/23, the total indicative allocation to ISO is UGX 97.92bn, reflecting a modest 0.7 % reduction against the FY 2021/22 approved budget ceiling. Internal Security Organization falls under Governance and Security Program.

### 8.4 Medium Term Policy Objectives and Alignment to NDP III

The medium-term policy objectives for ISO is to detect and prevent politically motivated crimes, provide intelligence on terrorism and organized crime and put in place preventive measures and detect threats to the Country's Social and Economic sectors.

These medium-term policy objectives are intended to feed into the achievement of the fifth Objective of NDP III, which is "strengthening the role of the State in development and National Development Program 14, which is "Governance and Security Strengthening".

### 8.5 - OBSERVATIONS AND RECOMMENDATIONS

The Committee analyzed the indicative budget allocations for Vote 158 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III. Huge funding gaps were identified

but, the Committee considers the following as critical interventions that necessitate budget enhancement;

#### **8.5.1 – Lack of Transport Equipment at ISO**

The Committee was informed that ISO has not been able to provide transport (vehicles) for its operations both at Headquarters and field stations. The Committee established that, ISO has a fleet of 28 vehicles of varying ages and conditions; most of which are too old and frequently break down with the related costs of repair and maintenance exceeding UGX. 0.76 bn annually.

The Committee further established that, ISO requires 345 Motor Vehicles to cover all stations in the Country, both for Headquarter and Field Operating Stations. The Organization also has only 1, 204 Motor Cycles out of the required 2,252 to cover all GISOs and Special Operations, resulting into a deficit of 1,048 Motor Cycles.

The Committee noted that ISO requires UGX. 55.0 bn to acquire new vehicles in the FY 2022/23 and there is no proposed budget allocation to the procurement of transport equipment.

The Committee observes that transport equipment is critical to the operations of ISO, especially those operating along the porous borders of the Country. The Committee further observes that collection of timely intelligence by ISO personnel and coordination with sister security agencies is greatly undermined by mobility challenges.

**The Committee recommends that Government provides UGX. 55.0 bn as development budget to enable the procurement of transport equipment in the medium term.**

#### **8.5.2 – Recruitment and Training**

Internal Security Organization plans to recruit and train 200 Operative Officers in FY 2022/23 to cover new administrative units and gaps created in the old administrative units. The Committee observes that UGX. 5.39 bn is desired to implement this activity but only UGX. 0.35 bn is proposed allocation for FY 2022/23 resulting into a funding gap of UGX. 5.04 bn.

The Committee is cognizant of the fact that issues relating to security are dynamic in nature and the concerned organization should be prepared to recruit staff that are fit for the purpose at all times.

**The Committee recommends that Government provides the UGX. 5.04 bn to enable ISO recruit and train staff for effective and efficient delivery of the mandate bestowed on them.**

### **8.5.3 – Facilitation to Internal Intelligence Collection by ISO**

Resources allocated to information collection are critical in facilitating structures both at the center and the field to gather information on the prevailing and emerging threats that can cause instability and undermine the State. Information on cyber threats, abuse of social media, illegal entry and activities of foreigners, social and economic threats are critical to the intelligence mandate.

The Committee observes that, despite the huge obligation to collect information on all threats, ISO has been provided UGX. 52.5 bn against the required UGX. 101.0 bn resulting into a funding gap of UGX. 48.5 bn.

**The Committee recommends that Government considers provision of additional UGX. 48.5 bn annually for the medium term to enable ISO enhance facilitation to Internal Intelligence collection.**

### **8.5.4 – Inadequate Technical Equipment for ISO**

Internal Security Organization plans to procure technical equipment including the Cyber equipment to counter the Cyber threats especially financial institution and many others implementing e – transactions. The critical threat of Cyber is penetration of State infrastructure/Systems such as of financial systems, Revenue Agencies, Power stations and systems, Transport systems, and abuse of social media among others.

The Committee was informed that, ISO has undertaken efforts to establish basic infrastructure to address the Cyber threat, but there is urgent and great need to enhance the existing efforts by acquiring specialized technical equipment costing UGX. 50.09 bn and only UGX. 2.79 bn is provided leading to a funding gap of UGX. 47.3 bn.

**The Committee recommends that Government provides the UGX. 47.3 bn be identified and provided to Vote 158 to enable ISO procure the much-needed technical equipment to counter the threats.**

## 9.0 VOTE 159 – EXTERNAL SECURITY ORGANIZATION (ESO)

### 9.1 – Mandate

The mandate of External Security Organization is derived from the Security Organizations Act, CAP 308 and Article 218 of the Constitution of the Republic of Uganda which enjoins the Organization to collect, receive and process external intelligence about the security of Uganda and recommend to H.E the President or any other authority as the President may direct on what action should be taken on the basis of such intelligence.

### 9.2 - Budget Performance Overview for Q3 – FY 2021/22 - Vote 159

Table 18 - Budget Performance for Q3 - FY 2021/22 (UGX. Billion):

Category	Approved Annual Budget	Cumulative Release	Cumulative Expenditure	% of Budget Released	% of Release Spent
Wage	14.44	10.830	10.830	75.0%	100%
Non-wage	34.694	29.093	29.093	83.9%	100%
Dev-GoU	3.639	3.617	3.617	99.4%	100%
Arrears	8.677	8.677	8.677	100%	100%
<b>TOTAL</b>	<b>61.450</b>	<b>52.217</b>	<b>52.217</b>	<b>85.0%</b>	<b>100%</b>

In the FY 2021/22, UGX 61.45 bn was appropriated of which wage was UGX 14.44 bn, non-wage recurrent was UGX 34.694 bn, domestic development category was UGX. 3.639 bn and Arrears of UGX. 8.677 bn.

As of end of Q3- FY 2021/22 (March, 2022), total releases amounted to UGX 52.217 bn and actual expenditure amounted to UGX. 52.217 bn. The released funds performed at 85.0% against the approved budget while actual expenditure registered a performance of 100% absorption rate.

### 9.3 Proposed Budgetary Allocations for FY 2022/23 for Vote 159

Table 19 - Approved FY2021/22 and Indicative FY2022/23 (UGX.Bn)

Category	FY 2021/22 Approved Annual Budget	FY 2022/23 Proposed Annual Budget	%age Change
Wage	14.44	14.44	0%
Non wage	34.694	33.601	(3.2)%
Dev-GoU	3.639	0.839	(76.9)%
Arrears	0	00	-
<b>TOTAL</b>	<b>52.773</b>	<b>48.88</b>	<b>(7.4)%</b>

In the FY 2022/23, the total proposed allocation to Vote 159 is UGX 48.88 bn, reflecting a 7.4% reduction against the FY 2021/22 approved budget. External Security Organization falls under Governance and Security Program.

#### **9.4 – Medium Term Policy Objectives and Alignment to NDP III**

The medium-term policy objective for ESO is provision of reliable and timely external intelligence information to support national policy planning; neutralizing of external security threats against the sovereignty and territorial integrity of the Republic of Uganda; securing of sustainable growth and development of Uganda's economy and promotion of national, regional and international peace.

These medium-term policy objectives are intended to feed into the achievement of the fifth Objective of NDP III, which is "strengthening the role of the State in development and National Development Program 14, which is "Governance and Security Strengthening".

#### **9.5 – OBSERVATION AND RECOMMENDATIONS**

The Committee analyzed the indicative budget allocations for Vote 159 and established that, the indicative budget allocations and projections in the medium-term are consistent with the overall Program objectives and the National Development Plan III.

##### **9.5.1 - Foreign Intelligence Collection**

The Committee was informed that ESO has enhanced its foreign deployments to 36 stations out of which 29 are in Uganda's missions against the 35 Uganda's Foreign Missions while the 7 are in strategic areas of interest.

The Committee was further informed that ESO relies on the Military Attachees in the other Diplomatic Missions where Uganda is represented to collect foreign intelligence.

To effectively monitor and counter emerging external security threats, ESO plans to open and maintain foreign diplomatic missions, foreign strategic areas of interest and field stations including deployment and maintenance of Officers and this requires UGX. 52.383 bn but only UGX. 29.317 bn is proposed budget allocation resulting into a funding gap of UGX. 23,325 bn.

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The Committee observes that the option of ESO relying on intelligence information collected by the Military Attachees is likely to constrain the organization from processing timely external intelligence about the security and economic interests of Uganda since the Military Attachee may not be fit for the purpose for which ESO operations envisage.

The Committee further observes that the current security in the Ring States and the Rest of the World including Democratic Republic of Congo, Ethiopia, Somalia, Egypt and the Middle East among others necessitates enhanced deployments of Officers, auxiliary Staff and technical solutions as well.

**The Committee strongly recommends that the funding gap of UGX. 23.325 bn be provided to enable ESO open and maintain Foreign Diplomatic Stations, Foreign Strategic Areas of interest and Field Stations.**

#### **9.5.2 – Retooling of External Security Organization**

The Committee was informed that ESO plans to enhance its technical capability through acquisition of modern technical and transport equipment as well as classified assorted assets.

The Committee established that, retooling ESO requires UGX. 29.886 bn but only UGX. 0.839 bn is provided within the MTEF ceiling of Vote 159 resulting into a funding gap of UGX. 29.047.

The Committee observes that, the identified funding gap of retooling of ESO constrains the Organization ability to enhance technical capability in form of acquisition of modern technical and transport equipment as well as classified assorted assets.

**The Committee recommends that the funding gap of UGX29.047 bn be provided to enable ESO acquire the modern technical and transport equipment as well as classified assorted assets.**

#### **9.5.3 – Budget Enhancement to Administration and Finance**

The Committee was informed of the need to improve the welfare of staff in form of payment of salaries, pension, medical care, feeding and transport among others. The Committee identified that ESO requires UGX 38.988 bn to undertake these interventions but only UGX. 22.317 bn is provided in the MTEF ceiling resulting into a funding gap of UGX. 16.671 bn.