

PARLIAMENT OF UGANDA

**REPORT OF THE COMMITTEE ON TOURISM, TRADE & INDUSTRY ON THE
MINISTERIAL POLICY STATEMENTS & BUDGET ESTIMATES FOR THE FY
2022/2023**

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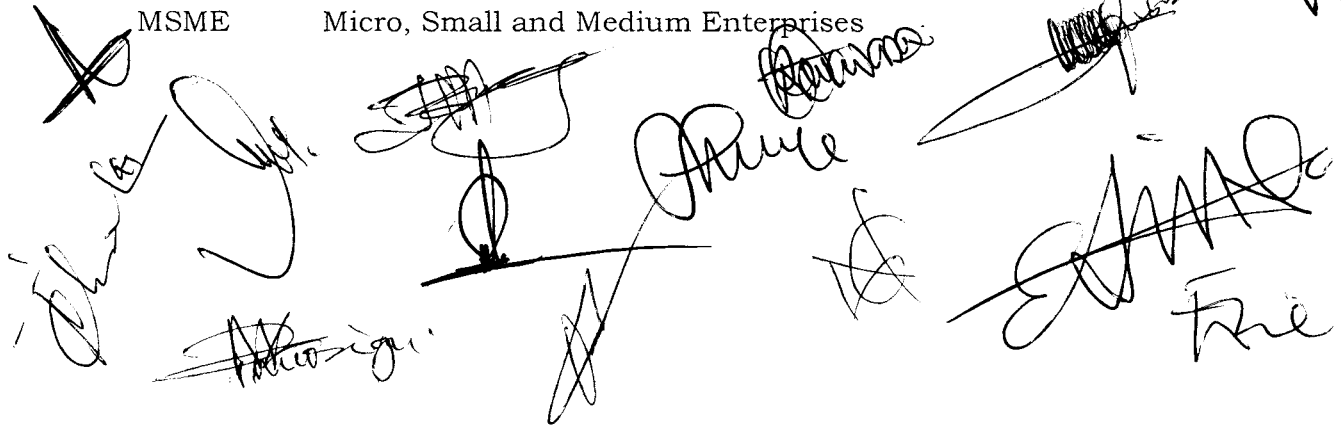
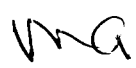

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LIST OF ABBREVIATIONS

AGOA	African Growth and Opportunities Act
BINP	Bwindi Impenetrable National Park
BUBU	Buy Uganda, Build Uganda
CITES	Convention on International Trade in Endangered Species
CEDP-AF	Competitiveness & Enterprise Development Project-Additional Financing
CFTA	Continental Free Trade Area
COMESA	Common Market for Eastern and Southern Africa
CSBAG	Civil Society Budget Advocacy Group
DCO	District Commercial Officer
EAC	East African Community
EPA	Economic Partnership Agreement
EPZs	Export Processing Zones
FTA	Free Trade Area
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
IFMS	Integrated Financial Management System
LG	Local Government
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MEMD	Ministry of Energy & Mineral Development
MENP	Mt. Elgon National Park
MGNP	Mgahinga National Park
MFNP	Murchison Falls National Park
MoFPED	Ministry of Finance, Planning and Economic Development
MoICT	Ministry of Information and Communications Technology
MoLG	Ministry of Local Government
MPS	Ministerial Policy Statement
MTIC	Ministry of Trade, Industry and Cooperatives
MSME	Micro, Small and Medium Enterprises



MTAC	Management Training and Advisory Centre
MTEF	Medium Term Expenditure Framework
MTWA	Ministry of Tourism, Wildlife & Antiquities
NBFP	National Budget Framework Paper
NTR	Non-tax Revenue
NDP	National Development Plan
NPA	National Planning Authority
PA	Protected Area
PBO	Parliamentary Budget Office
PFMA	Public Finance Management Act
PSFU	Private Sector Foundation Uganda
PwDs	Persons with Disability
Q	Quarter
QENP	Queen Elizabeth National Park
SWG	Sector Working Group
TFTA	Tripartite Free Trade Area
TEXDA	Textile Development Agency
TIC-SDP	Trade, Industry and Cooperatives Sector Development Plan
UCA	Uganda Cooperative Alliance
UCPC	Uganda Cleaner Production Centre
UDC	Uganda Development Corporation
UEPB	Uganda Export Promotion Board
UHTTI	Uganda Hotel & Tourism Training Institute
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
UNCE	Uganda National Commodity Exchange
UNIDO	United Nations Industrial Development Organisation
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority

UWEC Uganda Wildlife Conservation Education Centre

UWRSA Uganda Warehouse Receipt Systems Authority

UWRTI Uganda Wildlife Research & Training Institute

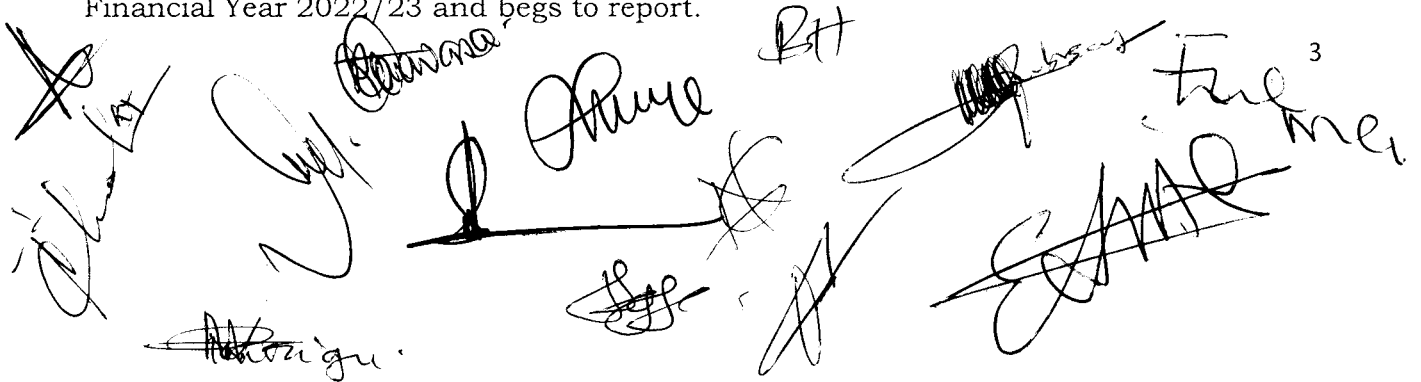
WRS Warehouse Receipt System

WTO World Trade Organisation

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(1) of the Public Finance Management Act, 2015 and Rule 148 (1) of the Rules of Procedure of Parliament; the Committee on Tourism, Trade and Industry scrutinised the Ministerial Policy Statements and Budget Estimates for the Ministry of Tourism, Wildlife and Antiquities and the Ministry of Trade, Industry and Cooperatives for the Financial Year 2022/23 and begs to report.



2.0 SCOPE

The Committee on Tourism, Trade and Industry considered the Ministerial Policy Statements and Budget Estimates for the Financial Year 2022/23 for the Ministry of Tourism, Wildlife & Antiquities and Ministry of Trade, Industry & Cooperatives.

MINISTRY OF TOURISM, WILDLIFE & ANTIQUITIES

Entities with a vote status

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board

Entities without a vote status

- Uganda Wildlife Authority
- Uganda Wildlife Conservation Education Centre
- Uganda Hotel and Tourism Training Institute, Jinja
- Uganda Wildlife Research and Training Institute, Kasese

MINISTRY OF TRADE, INDUSTRY & COOPERATIVES

Entities with a vote status

- Vote 015 – Ministry of Trade, Industry and Cooperatives
- Vote 154 – Uganda National Bureau of Standards
- Vote 306 – Uganda Export Promotion Board

Entities without a vote status

- Uganda Development Corporation
- Uganda Warehouse Receipt Systems Authority
- Management Training and Advisory Centre

Highlights and order of the report

- Sectoral mandates
- Budget performance for the first half of the FY 2021/22
- Physical performance for the first half of the FY 2021/22
- Selected planned activities for the FY 2022/23

- Budget for the planned activities for the FY 2022/23
- Challenges encountered during FY 2021/22
- Committee observations and recommendations

3.0 METHODOLOGY

While considering the Ministerial Policy Statements and Budget Estimates for the two Ministries mentioned above; the Committee utilised the following methodology:

3.1 MEETINGS

External meetings

The Committee held meetings with the following entities:

Ministry of Tourism, Wildlife & Antiquities

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board
- Uganda Wildlife Authority
- Uganda Wildlife Education Conservation Centre
- Uganda Hotel and Tourism Training Institute, Jinja
- Uganda Wildlife Research and Training Institute, Kasese

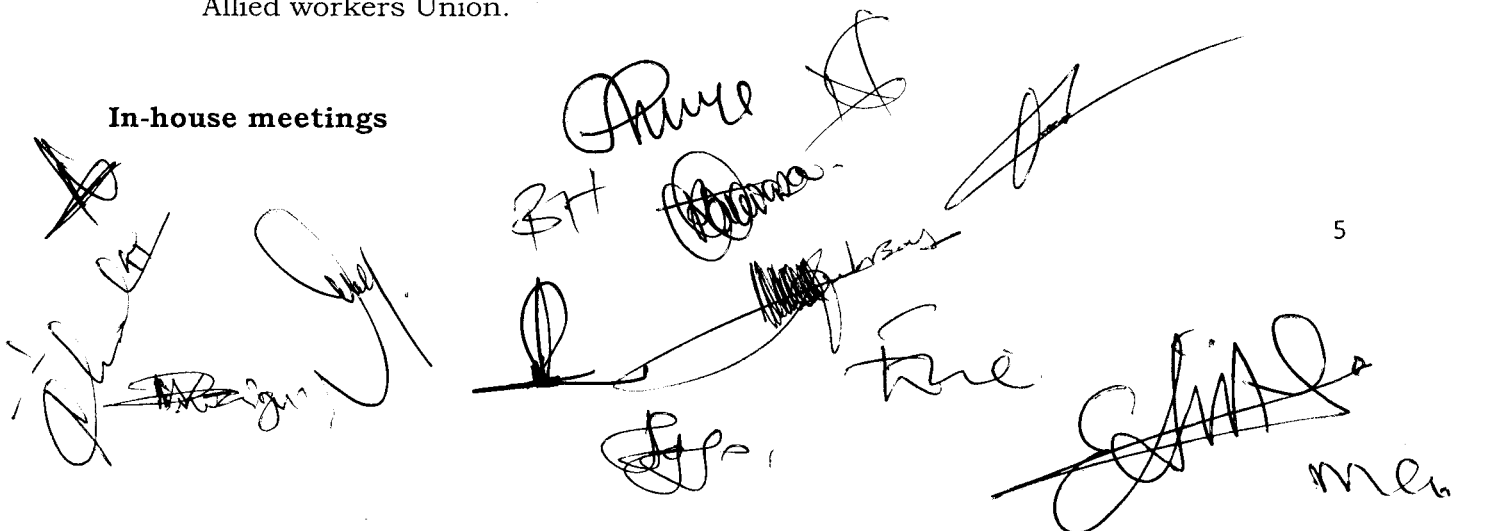
Ministry of Trade, Industry & Cooperatives

- Vote 015 – Ministry of Trade, Industry and Cooperatives
- Vote 154 – Uganda National Bureau of Standards
- Vote 306 – Uganda Export Promotions Board
- Uganda Development Corporation
- Uganda Warehouse Receipt Systems Authority
- Management Training and Advisory Centre

Other institutions

- Written submission was received from the Uganda Scientists, Researchers and Allied workers Union.

In-house meetings



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- The Committee held in-house meetings to review the issues paper, consider the draft report and sign the final report.

3.2 DOCUMENT REVIEW

The Committee reviewed and made reference to the following documents:

- The Ministerial Policy Statement and Budget Estimates for the Ministry of Trade, Industry and Cooperatives for the FY 2022/23
- The Ministerial Policy Statement and Budget Estimates for the Ministry of Tourism, Wildlife and Antiquities for the FY 2022/23
- Approved National Budget Framework Paper and Medium Term Expenditure Framework for the FY 2022/23-FY 2026/2027
- Report of the Budget Committee on the National Budget Framework Paper for FY 2022/23-FY2026/27
- Draft Budget Estimates for the FY 2022/23
- Recommendations of the Parliamentary sessional committees on the Budget for FY 2021/22

4.0 THE TOURISM DEVELOPMENT PROGRAMME

The Tourism Development Programme comprises the following votes and affiliated institutions:

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board

Affiliated institutions:

- Uganda Wildlife Authority (UWA)
- Uganda Wildlife Conservation Education Centre (UWEC)
- Uganda Wildlife Research and Training Institute, Kasese
- Uganda Hotel and Tourism Training Institute, Jinja



4.1 TOURISM PROGRAM HALF YEAR PERFORMANCE FY 2021/22

Tourism program covers Ministry of Tourism, Wildlife and Antiquities including its five subventions namely; Uganda Wildlife Authority, Uganda Hotel and Tourism Training Institute, Uganda Wildlife Conservation Education Centre and the Uganda Wildlife Research and Training Institute and Uganda Tourism Board. Below is the Program financial and physical performance.

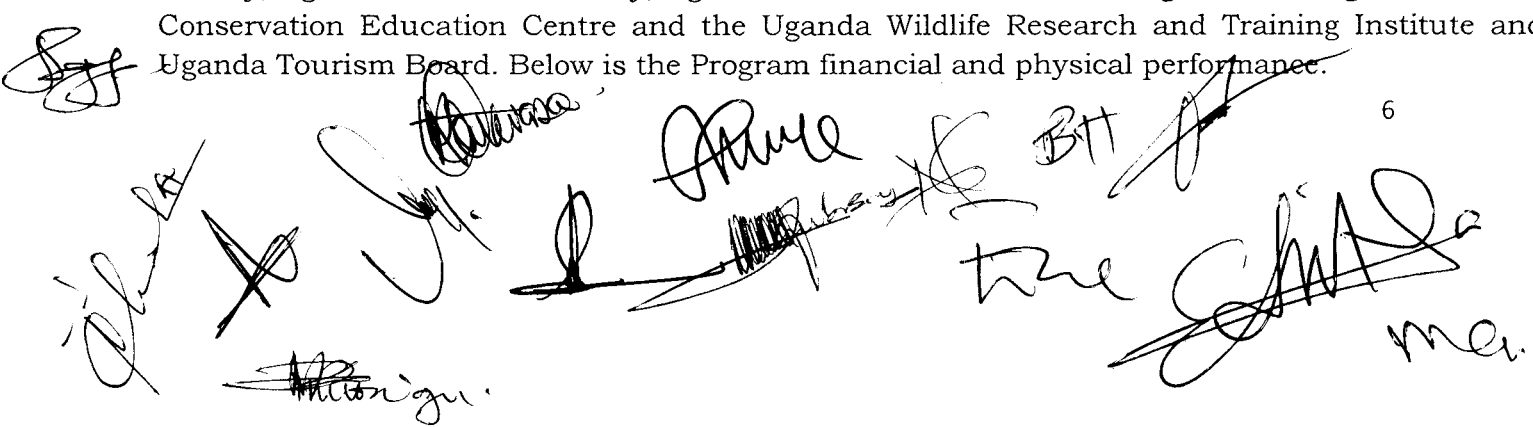


Table 1 - Half year budget performance for FY 2021/22 (Bn, UGX)**Half year Budget Performance FY 2021/22**

	Approved Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Releases Spent
Wage	5.379	2.34	1.878	43.50%	34.90%	80.30%
Non-Wage	157.281	58.472	52.289	37.20%	33.20%	89.40%
Dev't GoU	16.296	6.408	4.701	39.30%	28.80%	73.40%
GoU Total	178.956	67.22	58.869	37.60%	32.90%	87.60%

Source: MoFPED Semi -Annual Budget Performance FY 2021/22

Approved tourism program budget was Shs.178.95Bn of this, Shs.67.22Bn was released while Shs.58.86Bn was actually spent. Releases performed at 37.60%, Budget spent was 32.90% while release spent/absorption was 87.60%. Budget performed poorly due poor tourism revenues inflows resulting from COVID19 restrictions. The development budget relatively performed poorly as government interventional releases were more focused to sustaining tourism institutions than implementation of development activities.

Table 2- Assessment of Key Tourism Development Programme Indicators

Sector Outcome : Improved Heritage Conservation and Tourism Growth			
Sector Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By end Q2
Contribution of Tourism to GDP	Percentage	7.0%	2.5%
Annual change in tourist arrivals	Percentage	10%	8.4%
Tourism export earnings	Value (US\$)	1,000	421

Source: MoFPED Semi -Annual Budget Performance FY 2021/22

From Table 2 above, key sector performance indicators of tourism export earnings poorly performed from the planned USD1,000 Million to US\$421million by half year of FY 2021/22. This was due to the slow recovery from effect of the COVID-19 pandemic on the sector.

Quarter two registered an increase in visitor numbers to the National Parks and a number of tourism and cultural sites. 79,787 visitors were received by UWA in the National Parks compared to 28,462 visitors who were registered in the same period of 2020 registering an annual visitor change of 180%.

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Visitation to Museums and Monument sites too registered an improved performance with an annual visitor change of 51% as 976 visitors were hosted in the quarter yet 648 visitors were registered at these sites in 2020. 70,822 visitors were hosted at UWEC during the quarter while 33,031 were hosted in the same period in the FY 2020/21 representing 115% annual change in visitor numbers to the Conservation Education Centre.

Tourism Development Programme Budget allocation

Table 3 - Change in approved and proposed sector budget FY 2022/23

MDA	Approved 2021/22 (Bn)	Proposed Budget FY 2022/23	Change ,Bn
Ministry of Tourism Wildlife and Antiquities	20.954	27.99	7.04
Uganda Wildlife Authority (UWA)	119.469	118.749	-0.72
Uganda Wildlife Education Center (UWEC)	11.918	9.498	-2.42
Uganda Hotel & Tourism Training Inst.(UHTTI)	5.731	6.231	0.50
Uganda Wildlife Research Training Inst. (UWRTI)	3.185	3.485	0.30
Uganda Tourism Board (UTB)	26.84	26.451	-0.39
Total	188.097	192.404	4.31

Source: MPS MTIC and MTWA FY 2022/23

According to Table 3, the Tourism Development Programme budget is proposed to reduce by Shs.4.31Bn from the approved Shs.188.09 to Shs.192.40Bn. Although government allocated additional Shs.30Bn to revive the tourism sector, total budget is still below the NDP3 recommended funding levels of Shs.562.3Bn.

Source of funds identified for reallocation

The committee identified Shs.19.607Bn from within the Tourism Development Program and reallocated it within the Program key priority areas. The table below shows identified resources

Source of Funds to be reallocated to other Priorities within the Tourism Development Program(Ugx, Bn)
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022	Ministry of Wildlife, Tourism and Antiquities	Excess Provision for Wage(1.375Bn) Pension (0.410Bn) and Gratuity(0.306Bn)	Wages	2.0
			Pension	
			Gratuity	
		Reduce UWA Government subvention allocated during COVID 19 Lockdown when UWA could hardly collect any revenue		12
		Review criteria used to allocate additional 30Bn to provide to revive tourism sector		3.0
177	Uganda Tourism Board(UTB)	Internal reallocation From Nonwage Recurrent to Wage to recruit additional staff		2.607
	Total			19.607

4.2 VOTE 022 - MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES

The Ministry of Tourism, Wildlife and Antiquities hosts the following subventions: Uganda Wildlife Authority, Uganda Hotel and Tourism Training Institute, Uganda Wildlife Conservation Education Centre and the Uganda Wildlife Research and Training Institute.

MTWA's Gender & Equity compliance

In accordance with Section 13 (11) (e) (i) of the Public Finance Management Act, 2015, the Minister responsible for Finance shall in consultation with the Equal Opportunities Commission issue a Certificate: a) Certifying that the Budget is gender and equity responsive; and b) Specifying measures taken to equalise opportunities for men, women, persons with disabilities and other marginalised groups.

The Ministry of Tourism, Wildlife & Antiquities registered a tremendous improvement in gender & equity compliance with a sterling performance of 80.62% a slight reduction from 82% scored in the previous financial year.

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Vote 022 Half year performance and budget allocation FY 2021/22

Table 4: Financial Performance FY 2021/22

Expenditure Category	Approved	Released	Spent	%Budget	% Budget	Release
	Budget	by End Dec	End Dec	Released	Spent	Spent
Wage	3.524	1.412	0.972	40.10%	27.60%	68.90%
Non-Wage	141.593	48.47	47.882	34.20%	33.80%	98.80%
Devt GoU	16.141	6.294	4.701	39.00%	29.10%	74.70%
Total	161.257	56.176	53.555	34.80%	33.20%	95.30%
Total Budget	161.257	56.176	53.555	34.80%	33.20%	95.30%
Grand Total	161.257	56.176	53.555	34.80%	33.20%	95.30%

Source: MoFPED Semi Annual Budget performance FY 2021/22

According to Table 4 above, the approved budget for the Ministry of Tourism Wildlife and Antiquities with all its subventions was Shs.161.257Bn out of which Shs 56.17Bn released and actual expenditure was Shs.53.55Bn by the end of December, 2021 representing budget release of 34.8%, Budget spend of 33.2% while release spent was 95.3%.

Half year Physical Performance. (July - Dec. 2021)

By the end of First Half of the FY 2021/22, the Ministry of Tourism together with its subventions was able to register the following key achievements.

- Protected, managed and sustain 22 Protected Areas (10 National Parks and 12 Wildlife Reserves) across the country. These cover about 10% of Uganda's surface area. Value addition has been done through establishment and maintenance of infrastructure and facilities (over 2,000 kms of trails and tracks), staff and tourist accommodation, re-introduction of selected species in some Protected Areas, control of invasive species, and restoration of degraded portions.
- Prioritized response, mitigation and management of human-wildlife conflicts to minimize damages and losses and protect communities against wildlife attacks.
- Intensified law enforcement operations in protected areas to keep poaching, illegal wildlife trade and trafficking in control. In addition, community engagement, control of invasive species and
- Operationalized the Tourism Development, Promotion and Recovery Plan

- (e) Developed and disseminated tourism sector Standard Operating Procedures to guide the reopening and operation of the tourism businesses during the COVID 19 era.
- (f) Undertook national-wide domestic tourism awareness drives to promote the country's tourism offering and encourage Ugandans to visit tourism sites
- (g) Sustained the deployment of Market Destination Representatives (MDRs) in core and emerging markets i.e. North America, Japan, China, Gulf States, UK & Ireland, Germany, Austria & Switzerland to promote Uganda.
- (h) Completed the development and launched the Pearl of Africa destination brand.
- (i) Continued to develop Tourism products including mountaineering on Rwenzori mountains, Kagulu Hills; Kitagata hot springs and cultural heritage sites of Mugaba Palace and Nyeru Rock Art; Soroti Museum. The development of these products improves their competitiveness.
- (j) Enforcement and compliance to tourism standards through registering, inspecting and licensing tourism service providers including Tour and travel guides, agents and operators as well as accommodation facilities.
- (k) Maintained and rehabilitated the two Training institutions of UHTTI in Jinja and UWRTI in Kasese.
- (l) Maintained the National Museum, regional Museums as well as cultural heritage sites.
- (m) Sustained operations, maintained wildlife and rehabilitated facilities at UWEC
- (n) Developed and implemented Conservation Education Programs across the country.
- (o) Hosted and served tourists at UWEC, National Parks as well as other sites.
- (p) Maintained over 3,000 staff at MTWA, UHTTI, UTB, UWEC, UWRTI, and UWA including rangers in Protected Areas.
- (q) Undertook support supervision, oversight, performance assessment, and research to ensure availability of information to tourism stakeholders, policy and decision-makers as well as compliance to established Standard Operating Procedures

Table 5: Proposed Budget allocations FY 2022/23 and Changes in budgets (UGX, Bn)

Expenditure Category	Approved FY 2021/22 Budget	Proposed Budget FY 2022/23	Change in Approved and Proposed
Wage	3.524	3.746	0.222
Non-Wage	141.593	152.361	10.768
GoU Devt	16.141	9.847	-6.294
Arrears	0	0.165	0.165

Grand Total	161.258	166.119	4.861
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Source: MPS for MTWA FY 2022/23 and PBO Computations

Total budget for the Ministry of Tourism and its subventions is proposed at Shs.166.119Bn. Compared to the approved budget there is a net increment of Shs.4.861Bn resulting from additional Shs.30Bn shared amongst sector agencies.

Non-wage and Wage are expected to increase by Shs.0.22Bn and Shs.10.76Bn respectively while Development budget will reduce by Shs.6.294Bn from the approved shs.16.141Bn to Shs.9.847Bn.

The sector Agencies are also expected to benefit from a number of external financing sources and these include;

External Financing /Off-budget interventions

a) Competitiveness and Enterprises Development Project - Additional Financing

The Ministry of Tourism, Wildlife & Antiquities and its subventions will continue to benefit from the two year World Bank's CEDP-AF project under Component 2 -Tourism Product and Competitive Development worth US\$ 43.1 Million. CEDP-AF project is a two year project aimed at implementation of tourism development interventions in the FY 2022/23

Table 5 below shows the interventions/beneficiary institutions and the amount of money to be received.

Table 6 -CEDP-AF interventions/beneficiaries

S/No.	Entity/ Intervention	Amount in US\$
1.	Tourism Information Management System (MTWA)	USD \$ 1.6m
2.	Implement a quality assurance framework and develop regulations (UTB)	USD \$ 1.5m
3.	Destination planning and identification of investment opportunities (UTB)	USD \$ 4.3
4.	Destination branding, marketing and promotion of MICE industry (UTB)	USD \$ 5m
5.	Community sub-projects	USD \$ 2m
6.	Endowment Fund (community)	USD \$ 0.2m
7.	Uganda Museum (MTWA)	USD \$ 9m
8.	UWEC	USD \$ 4m
9.	Transform management & efficiency of UHTTI, Jinja	USD \$ 11m
10.	Enhance the capacity of UWRTI to undertake its mandate	USD \$ 4.5 m
TOTAL		USD \$43.1

Source: PSFU

- b) During the FY 2022/23, UWA expects support from development partners to a tune of **Shs.43billion** as shown in the table below.

Table 7: Off Budget Funding for UWA

Grant/Donation	Amount
FACE the Future	1,168,610,500
World Bank IFPA-CD project	42,140,473,200
Total	43,309,083,700

Source; MPS for MTWA FY 2022/23

In the FY 2022/23 UWA plans collect Revenue worth Shs.68Bn and Government subvention will be Shs.50.6Bn. Total budget including off budget support will be Shs.162Bn (Shs.43.3 and GoU 118.74Bn) will be available to Uganda Wildlife Authority. 2

KEY PLANNED ACTIVITIES FOR FY 2022/2023

The above funding will support the implementation of the following planned activities in FY 2022/23

a) Ministry Of Tourism, Wildlife and Antiquities

- i. Mugaba place - Mbarara Amphitheatre and 4 sculptures constructed;
- ii. Tourist facilities established at the Elena camp (altitude of 4,500 meters) of the Rwenzori Mountains.
- iii. Source of Nile Resettlement Action Plan produced
- iv. Kitagata hot springs developed into an internationally competitive eco adventure tourism park.
- v. Maintain integrity of cultural or heritage sites and monuments:
- vi. 13 Heritage Sites and Monuments of Patiko, Wedelai, Napak, Nyeru, Kaping, Mukongoro, Dolwe, Barlonyo, Kakoro, Mugaba, Fort Thurston, Komuge and Bigo Byamugenyi maintained, Kabalega and Mwanga Sanctuary sites developed and maintained.

- vii. National and Regional Museums of Kabale, Soroti, and Moroto maintained and exhibits curated
- viii. The Museums and Monuments Policy reviewed, the Bill approved by Parliament and regulations drafted
- ix. Operationalize the Tourism Development Programme coordination and Working Group framework
- x. World Tourism week 2022 celebrated targeting to reach out to 1,000,000 Ugandans
- xi. Develop and enforce standards and guidelines for the implementation of Wildlife Act 2019:
- xii. Consultations conducted to inform the proposed upgrade Bugoma Central Forest Reserve and Pian Uppe Wildlife Reserve into National Parks:

(b) Uganda Wildlife Authority

- i. Protected area boundary maintained and surveillance done for all Uganda's 10 National Parks and 12 Wildlife Reserves.
- ii. A total of 1,275 hectares of invasives cleared in protected areas
- iii. Land claims resolved and Human Wildlife Conflict victims compensated.
- iv. Statutory instruments developed for creating Katonga, Sango Bay, maramagambo, kangombe & Pian Upe National parks in line with National Protected Areas Assessment report (2018).
- v. Disease surveillance conducted and Queen Elizabeth Conservation Area Veterinary diagnostic laboratory operationalized and maintained; Test and analysis done for all animal samples brought; Routine staff vaccinations against zoonotic diseases conducted and an awareness campaign conducted to control zoonotic disease outbreak.
- vi. Law enforcement equipment and other logistics procured and 800 rangers recruited and trained paramilitary skills.
- vii. Education and awareness campaigns conducted in all areas surrounding protected areas; Awareness campaigns conducted using the film van airing drama skits and plays to increase conservation awareness.
- viii. 61Km of existing electric fence maintained; 92km of existing elephant trenches maintained and 5km excavated.
- ix. 2,200km of roads, tracks and trails maintained in Uganda's Protected Areas.

(c) Uganda Wildlife Conservation Education Centre

- i. 57 species (constituting 260 individual) of wildlife animals maintained; Wildlife rescues (respond to at least 90% of cases), rehabilitation and release back to the wild done; Breeding program maintained for 7 species of animals
- ii. Thematic guided conservation Education tours and 2 School conservation education programs conducted targeting 300,000 visitors at UWEC (10 tertiary Institutions, 200 Schools, 50,000 learners, 4000 teachers and 25 new wildlife Clubs)
- iii. Natural and cultural/heritage conservation promoted including expansion and modernization of UWEC to undertake conservation education and awareness in the country.
- iv. Facility repairs to improve the integrity of animal enclosures/holdings
- v. UWEC staff wages, gratuity and staff facilitation

(d) Uganda Hotel and Tourism Training Institute

- i. 600 Students enrolled at UHTTI (including 250 new students), maintained, trained, examined, and internship attachment conducted
- ii. Maintenance and repairs conducted for the existing application hotel and training facilities at UHTTI.
- iii. Hotel operations including hosting and feeding of guests

(e) Uganda Wildlife Research and Training Institute

- i. 200 Students enrolled at UWRTI (including 100 new students), maintained, trained, examined, and internship attachment conducted for 200 students; Short-course programmes for vermin guards and tour guides designed, marketed and conducted.
- ii. Training equipment maintained and repaired GIS laboratory operated; Renovations and maintenance of the administration block and paving and lighting of the selected areas
- iii. Wildlife research studies designed and conducted focusing on the ecosystems and continuous ecological monitoring of wildlife conducted
- iv. Operationalize the new UWRTI Staffing Structure
- v. Utilities; transportation; Administration, operational costs and Governing Council
- vi. operationalized
- vii.

OBSERVATIONS AND RECOMMENDATIONS

4.2.1 Ministry of Tourism, Wildlife and Antiquities (MTWA)

Delayed operationalisation of the Wildlife Compensation Scheme:

Ministry of Tourism, Wildlife and Antiquities (MTWA) is directly responsible to oversee and ensure that the compensation scheme is in place, however, there has been some delays and the scheme is not in place yet.

The Committee observed that Section 83 of the Wildlife Act, 2019 requires UWA to establish the Wildlife Compensation Scheme; consisting of 2% of monies collected by the Authority, for financing compensation claims. The committee was informed that although 2% of the revenue collected by UWA is annually retained in fulfilment of Section 83 of the UWA Act, 2019, it cannot be spent on compensation due to lack of regulations and policies to guide the operationalisation of the Scheme.

Lack of adequate tourism statistics to enable effective planning for the sector;

The committee observed that Tourism statistics are still inadequate for the stakeholders to make informed decisions. The responsible stakeholders to execute that mandate are unable to monitor tourism arrivals on a daily, weekly and Quarterly basis; due to lack of interface between Uganda border entry points and the Ministry of Tourism. Internally, there is also lack of pertinent information regarding domestic tourism; accommodation facilities; and other tourism services. This is due to failure to conduct surveys and censuses. When there is lack of a record regarding the entry and exit of tourists, the Ministry is unable to be able to tell how long tourists spend in the country.

The Committee therefore recommends that;

- The Ministry of Tourism Wildlife and Antiquities should expedite the process of formulating policies and regulations, to guide and operationalise the Wildlife Compensation Scheme
- The Ministry of Tourism Wildlife and Antiquities should aim at real-time generation of tourist data for better planning purposes
- Establish interface with Borders Control Management Systems of Directorate of Immigration to generate data for planning purposes.

Uganda Wildlife Authority (UWA)

The committee observed that there are rampant and uncontrolled bush burning reported in the National Parks and protected areas; these incidences coupled with lack

of emergency plan to put off the fire have proved harmful, disastrous and destructive to the wildlife ecology, and Private investments in the protected areas.

The committee further observed that UWA rangers have continued to use excessive force while dealing with communities around the protected areas. This has led to loss of lives by suspected illegal persons in the national parks and surrounding areas. Although self-defense is an acceptable move; there is need to use reasonable force and appropriate weapons, tactfully and professionally; as this also enables further information gathering from suspects; who in most cases, UWA rangers shoot and kill. On the other hand, even if these persons are suspected poachers, the act defeats the principal of natural justice.

The committee recommended that;

- UWA should immediately put in place Fire emergence response units to counter fire outbreaks.
- UWA should train its rangers and come up with a well-equipped professional team, so that moderate force is used when need arises, and professional use of weapons is embraced, not forgetting the respect for the principal of natural justice being put into consideration.

4.2.2 Uganda Hotel and Tourism Training Institute

Lack of a hostel for the institute

The Committee was informed that UHTTI spends Shs.450M per annum on hostel accommodation for its students; which is so costly for the institution and the students. UHTTI would like therefore, to construct its own hostels on the existing land and the plans have been already developed. The cost of the hostels for both female & male students is Shs.6 billion. Government should Shs 6 billion and fund this project; as it will sort out the unemployment challenge that the country is facing. However, this is left unfunded in the current budget.

The Committee recommends that;

Government should provide Shs.6 billion for the construction of a hostel at UHTTI in the FY2022/23.

4.2.3 Uganda Wildlife Conservation Education Centre (UWEC)

Establishment Regional Satellite Wildlife Conservation Education Centre, construction of a pier and a wall fence;

The committee was informed by UWEC that, the institution is soon getting a modern 50 seater boat through CEDP-AF project to boost the Lake Victoria tourism circuit project. The boat will have nowhere to dock since the current pier was washed away by the floods.

The committee was also informed that UWEC has secured 60 acres of NFA land at each regional cities of Mbale, Gulu, Mbarara and Fort portal. UEWC is therefore, planning to establish one RSWCEC in Mbale in the first phase; other centres will be established subsequently.

Furthermore, the committee was informed by UWEC that the construction of the electric wall fence was a pertinent aspect to subdue the Human- wildlife conflict, which has proved to be one of the biggest challenges that the neighbouring communities to the protected areas are facing.

As thus, the committee observes that the matters raised above are pertinent if the country is to

- nurture and grow domestic tourism;
- enhance and strengthen the security of both the wildlife and humans in the neighbourhood;
- bring the UWEC education and conservation service closer to the people

The committee therefore recommends that;

The committee therefore, recommends that the Shs 9.5 billion be provided for UWEC, so that the **three** fore mentioned projects are implemented. This will in turn address the constant human-wildlife conflicts; that are constantly reported on the Floor of Parliament, and also bringing closer services to the people.

Introduction of new species of animals;

The committee observed that in the FY 2021/2022, Uganda imported two white tigers to the country, and tigers had last been seen in **Uganda 60 years ago**. This made Uganda the first east African country to shelter the largest member of the cat family.

Therefore, the committee recommends that,

UWEC should carry out more research in order to introduce more animal species that can survive in Uganda. This will therefore, improve the educational and tourism experience to its clients, and also consequently increase the **non-tax revenue** for the institution; this is beneficial for both the country and entity as a whole.

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The committee was informed that in the bid to achieve a centre of Excellency that is internationally competitive in Wildlife Research and Training, there is an urgent need to undertake the required research to inform interventions to address the wildlife management and conservation issues, such as wildlife invasive species and disease outbreaks.

The Research and Training institute as an entity that takes a core position in research; for purposes of exploring higher heights in the tourism sector; innovation and coming up with new brands; improving the existing ones should aggressive up its efforts, and Government plays its role of facilitation. I is pertinent to note that the research element has not been facilitated, and therefore, not well grounded.

There is need to operationalise the new UWRTI staffing structure. This will propel the training and research to even greater heights. It is therefore advisable to provide Shs 1 billion that was requested for by UWRTI in its unfunded priorities that were presented to the TT&I committee.

Uganda Tourism Board is mandated to sustainably promote Uganda as a competitive tourism destination for inclusive development

Strategic objectives of UTB are; to increase tourist arrivals, to increase investment and job creation, to increase competitiveness of the destination, to improve collection and access to tourism information and to improve internal efficiency and effectiveness

Expenditure Category	Approved	Released	Spent by	% Budget	% Budget	% Releases
	Budget	by End Dec	End Dec	Released	Spent	Spent
Wage	1.855	0.928	0.906	50.00%	48.80%	97.60%
Non-Wage	15.688	10.002	4.408	63.80%	28.10%	44.10%
Devt GoU	0.155	0.114	0	73.50%	0.00%	0.00%
GoU Total	17.699	11.044	5.313	62.40%	30.00%	48.10%

Approved budget for UTB FY 2021/22 was Shs.17.699Bn by end of December 2021, Shs.11.04Bn was released while Shs.5.313Bn was spent registering performance of

48.10%. Absorption of Nonwage was low due to delayed submission of Market Destination Representatives (MDR) reports for Q2 as basis for payment to be made and restrictions on public gatherings that affected implementation of domestic tourism campaigns.

Key achievements for the first half of FY 2021/22

- Operationalized the Tourism Development, Promotion and Recovery Plan
- Developed and disseminated tourism sector Standard Operating Procedures to guide the reopening and operation of the tourism businesses during the COVID 19 era.
- Undertook national-wide domestic tourism awareness drives to promote the country's tourism offering and encourage Ugandans to visit tourism sites
- Sustained the deployment of Market Destination Representatives (MDRs) in core and emerging markets i.e. North America, Japan, China, Gulf States, UK & Ireland, Germany, Austria & Switzerland to promote Uganda.
- Completed the development and launched the Pearl of Africa destination brand
- Enforcement and compliance to tourism standards through registering, inspecting and licensing tourism service providers including Tour and travel guides, agents and operators as well as accommodation facilities.

Table 9: Proposed Budget for UTB and Changes (UGX, Bn)

Expenditure Category	Approved FY 2021/22 Budget	Proposed Budget FY 2022/23	Change Approved Proposed in and
Wage	1.86	1.86	0
Non-Wage	15.69	24.503	8.813
GoU Devt	0.16	0.09	-0.07
Grand Total	17.71	26.453	8.743

UTB budget is expected to increase by Shs.8.743Bn from the approved Shs.17.71Bn to the proposed Shs.26.45Bn the increment is part of the additional allocation of Shs.30Bn made by government to revive the tourism sector.

Key Planned activities for FY 2022/23

The above proposed resources will enable UTB to implement the following key planned activities;

- Explore Uganda Tourism Campaigns and four Content Creation Tours organised and conducted across the 6 Tourism development areas of Uganda for promoting Uganda

men

- b) New Pearl of Africa destination brand "Explore Uganda, The Pearl of Africa" rolled out in the regional and international market
- c) Tourism promotional materials for distribution in the source markets through existing MDRs
- d) Uganda National Tourism Marketing Strategy reviewed/developed
- e) 10 collaborative engagements held with MDAs (Uganda Airlines, UEGCL, UWA, MTWA, UBOS, Tertiary Institutions) and private sector stakeholders to promote tourism marketing
- f) Religious and cultural festivals/ events including Coronation ceremonies, Martyrs Day, Kabaka's run etc. supported to promote religious and cultural tourism
- g) Seven (7) International and National days commemorated including World Tourism Day, World Wildlife Day, International Women's day, Independence Day, NRM day, Museum's Day, International labour day.
- h) Three (3) Domestic tourism expos and fairs including POATE (7th Edition) organised and promoted
- i) Destination marketing training Sessions conducted with Uganda's Foreign Mission and Diplomatic Staff
- j) 60,000 New Pearl of Africa destination brand "Explore Uganda, The Pearl of Africa" promotional materials produced: Procurement of Print and Broadcast (radio & TV) Media in the Domestic Tourism Market
- k) Uganda Convention Bureau operationalized and private sector supported in destination MICE management: Participation in MICE Expos; capacity building; membership renewal in key MICE tourism associations.

Observations and Recommendations

The Committee was informed that the Quality Assurance Department at UTB is grossly-understaffed with only 4 employees out of a staff establishment of 12. This incapacitates the efficacy of the department; it is difficult to embark on the inspection of the facilities that require the service; for instance, the accommodation facilities countrywide.

The Committee therefore recommends that;

Government should provide Shs 2.6 billion to enable UTB fill key positions in the Quality Control and Marketing department, and also avail Ugx 1 billion to purchase 3 inspection vehicles that UTB requested for, as this would enhance mobility, which in turn would ease the inspection and thus ensure quality control.

Table 19: Proposed Committee Re-Allocations

The committee observed that the Tourism Development program entities are grossly underfunded the committee was presented several unfunded priorities however, the following are considered very critical and should be provided for within the financial year 2021/22 through reallocation as follows;

Identified Priorities and of Reallocated Funds within Tourism Development Program			UGX, Bn
177	Uganda Tourism Board	Quality Assurance Vehicles Pickups(3 pick-up)	1.0
177	Uganda Tourism Board	Internal reallocation From Nonwage Recurrent to Wage to recruit additional staff	2.607
022	Ministry of Wildlife, Tourism and Antiquities	UWEC- Construction of Wall fence -3.2Bn, a Pier - 0.5 and Regional Satellite Educational Center- 5.8Bn (Mbale; Eastern region)	9.5
		UHTTI- Jinja to fully fund implementation of structure	1.5
		UWTRI – Kasese to fully fund implementation of structure to conduct Wild life related research	1.0
		UHTTI – Jinja to Kicks tart the construction of Students Hostel	1.0
		Project Code 1700: Mt. Rwenzori Tourism Infrastructure Development Project (Phase II)	2.0
		To develop and Maintain Mwanga-Kabalega Sanctuary Site	1.0
	Total		19.607

The Trade Sector comprises the following votes and affiliated institutions:

Vote 154 – Uganda National Bureau of Standards

Vote 500 - Local Governments

- Uganda Development Corporation
- Uganda Warehouse Receipt Systems Authority
- Management Training and Advisory Centre
- AGOA Secretariat

The sector comprises of four votes that contribute to development and promotion of competitive and export-led private sector and these include: Vote 015 - Ministry headquarters which hosts Uganda Development Corporation, (UDC), Uganda Warehouse Receipt Systems Authority (UWRS) and Management Training and Advisory Centre (MTAC). Vote 154 - Uganda National Bureau of Standards (UNBS), Vote 136 - Uganda Export Promotion Board (UEPB) and Vote 500: Local Governments (District Commercial Officers)

Budget	Approved	Released by	Spent by End	% Budget	% Budget	% Releases
Category	Budget	End Dec	Dec	Released	Spent	Spent
Wage	25.174	12.587	11.912	50.00%	47.30%	94.60%
Non Wage	111.27	65.944	61.627	59.30%	55.40%	93.50%
Devt GoU	22.493	11.61	6.713	51.60%	29.80%	57.80%
Ext. Fin.	10.397	4.698	4.698	45.20%	45.20%	100.00%
Tota	169.334	94.84	84.951	56.00%	50.20%	89.60%
Arrears	5.365	5.365	4.884	100.00%	91.00%	91.00%
Grand Total	174.699	100.205	89.835	57.40%	51.40%	89.70%

The approved budget for the Trade and Industry Sector was Shs.174.6Bn out of which 100.2Bn was released by Half Year; performing at 89.8%. Out of the funds released, Shs.89.83Bn was actually spent by the half year FY 2021/22.

Shs.89.83Bn was actually spent by the half year FY 2021/22.

SECTOR HALF YEAR PHYSICAL PERFORMANCE FY 2021/22

- The due diligence on Brentec Investments Limited finalized.
- The feasibility study report on Zombo Tea Factory completed and now in process of continuing with further works on master planning.
- Feasibility studies for Virika Intravenous fluids commenced.
- Zero draft Industrial park guidelines developed.
- Construction process of the Management Training and Advisory Services (MTAC) permanent home in Mbale and Ntungamo Centres ongoing. Approvals structural drawings for Ntungamo Centre completed.
- Developed guidelines and drafted revised bylaws for cooperatives under the Parish Development model.
- Registered 571 Cooperatives, audited 59, inspected 31, conducted onsite and offsite supervision for 792 cooperatives.
- Disbursed war debt compensation funds to 14 Cooperative Unions
- Non-Citizen Traders' licenses, Tobacco Licenses and Hire Purchase Licenses printed and issued.
- Tobacco Markets and Stores verified in 21 Tobacco growing Districts in South Western, West Nile and Northern Regions.
- Construction of civil works at the Mpondwe Border Export Zone currently ongoing with 96% progress of work noted.
- 35 SMEs in Artisanal Miners Legalized in Rubirizi, Kasese, Amdat and Bukedea.
- Trained and facilitated 175 MSMEs through the established incubation centers in districts to attend the EAC trade exhibition in Mwanza and Zanzibar.
- Developed the Prototype for the National Product Bar Coding system.
- 800 MSMEs provided with technical guidance on product development and certification processes

Sector Gender and Equity compliance of the budget for FY 2022/2023

In accordance with the Public Finance Management Act, 2015 Section 13 (11) (e) (i), the Ministry of trade and all MDAs gender responsiveness score improved in FY 2022/23 with exception of UNBS which decline from 66% to 61%

Table 11-Gender & equity score of institutions in the trade sector

Score / FYs	2018/19 (%)	2019/20 (%)	2020/21 (%)	2021/22 (%)	2022/23
Ministry of Trade, Industry & Coops	59	53	63	68	70.85
Uganda Export Promotion Board	58	51	64.4	58	63.2
Uganda National Bureau of Standards	51	63	64.4	66	61.64

Source: Equal Opportunities Commission

Source of funds identified for reallocation

The committee identified Shs.34.3Bn from within the Trade and Industry Sector reallocated it within the sector key priority areas. The table below shows identified resources.

VOTE	Source of Resources	Activity and Justification	Amount (Bn.)
015	Ministry of Trade, Industry and Cooperatives	Contribution to Autonomous Institutions: Uganda Warehouse Receipts Authority is a regulator (Allocation of funds to refurbish Private sector Warehouse and Procurement of Weighing systems is outside the Authority's mandate as has been continuously been recommended by Parliament)	12
		Compensation to War Debt Cooperatives Claims - Verification exercise for all Claims should first conclude. Currently verification is still ongoing for all Cooperatives concurrently with payment	11.3
		Rationalization of UDC Project allocations: Zombo Tea factory - UDC should first do civil works before purchase and installation of machinery and equipment	5

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VOTE 015: BUDGET PERFORMANCE FY 2021/22

Table 12: Half year Financial Performance FY 2021/22 (July, 2021 – December, 2021)

Expenditure	Approved	Released	Spent by	% Budget	% Budget	Releases
Category	Budget	by End Dec	End Dec	Released	Spent	Spent%
Wage	2.558	1.279	1.101	50.00%	43.00%	86.10%
Non-Wage	67.725	43.414	42.291	64.10%	62.40%	97.40%
Dev't GoU	14.784	7.727	5.688	52.30%	38.50%	73.60%
Ext. Fin.	10.397	4.698	4.698	45.20%	45.20%	100.00%
Total GoU+Ext Fin	95.463	57.118	53.777	59.80%	56.30%	94.20%
Arrears	5.365	5.365	4.884	100.00%	91.00%	91.00%
Grand Total	100.828	62.483	58.661	62.00%	58.20%	93.90%

Source: MoFPED Semi – Annual Budget Performance Report FY 2021/22

Approved budget for the Ministry was Shs.100.828Bn out of which Shs.62.483Bn was released while Shs. 58.661Bn was actually spent by end of 1st half of the FY 2021/22. The Ministry registered release performance of 62%, Budget performance of 58.2% while absorption was 93.9%.

Half Year Physical Performance/ Achievements FY 2021/22

During the first half of FY 2021/22, the Ministry registered the following key achievements;

- Construction of civil works at the Mpondwe Border Export Zone currently ongoing with 96% progress of work noted. 35 SMEs in Artisanal Miners Legalized in Rubirizi, Kasese, Amudat and Bukedea.
- Trained and facilitated 175 MSMEs through the established incubation centers in districts to attend the EAC trade exhibition in Mwanza and Zanzibar. Draft CTA strategy developed and Zero draft Industrial park guidelines developed.
- Africa Industrialization Day duly commemorated with the rest of the Continent.
- Construction process of the Management Training and Advisory Services permanent home in Mbale and Ntungamo Centres is ongoing. Approvals for structural drawings for Ntungamo Centre completed.
- The feasibility study report on Zombo Tea Factory has been done and now in process of continuing with further works on master planning. National Cooperative policy was reviewed.
- Developed guidelines and drafted revised bylaws for cooperatives under the Parish Development Model.

- Registered 571 Cooperatives, audited 59, inspected 31 conducted onsite and offsite supervision for 792 cooperatives. Non-Citizen Traders licenses, Tobacco Licenses and Hire Purchase Licenses printed and issued.
- Tobacco Markets and Stores verified in 21 Tobacco growing Districts in South Western, West Nile and Northern Regions. Developed the Prototype for the National Product Bar Coding system.
- 800 MSMEs provided with technical guidance on product development and certification processes.
- Funds were disbursed to 14 Cooperative Unions as compensation to war debt claims

Table 13: Budget allocation to Ministry of MTIC Budget to various subventions (UGX, Bn)

Vote	Entity & Subventions	Wage	Non-Wage	GoU Devt	Arrears	Total	Share %
15	Ministry of Trade, Industry and Corps	2.548	31.378	0.426	0.822	35.174	38%
	Uganda Development Corporation	7.342	32.381	0	0	39.723	43%
	Warehouse Receipt Systems Authority	1.61	13.457	0	0	15.067	16%
	African Growth and Opportunity Act	0	0.55	0	0	0.55	1%
	Management Training and Advisory	0.88	0	1.629	0	2.509	3%
Total		12.38	77.766	2.055	0.822	93.023	100%

Source: MPS MTIC FY 2022/23

Total budget allocation to the Ministry of Trade, Industry and Cooperatives is Shs.93.023Bn of which the Ministry is allocated Shs.35.174Bn (38%) UDC Shs.39.723Bn (43%), UWRSA Shs.15.06Bn (16%) AGOA Shs.0.55 (1%) and MTAC Shs.2.50Bn (3%). The biggest share of the budget to UDC is on account of allocation UDC projects. The Total wage Budget is Shs.12.39Bn, Nonwage is Shs.77.76Bn while Shs.2.05Bn is for Development budget.

Budget allocation to Uganda Development Corporation Projects FY 2022/23

UDC total budget for FY 2022/23 is Shs.39.69Bn out of which Shs.13.6Bn will be used to cater for wages and salaries while Shs.26.07Bn will be used to implement various projects as listed below.

Table 14: Budget allocation to Uganda Development Corporation Projects FY 2022/23

Project	Allocation (UGX)
Zombo Tea factory	10
Luwero fruits factory	6.0
Soroti fruits factory for Purchase of Fruits	2.079
Integrated Sugar Factory in Luuka	6.0
Feasibility studies, Investment appraisals and valuation on potential investments	2.0
Sub total	26.079

Key planned activities Ministry of Trade FY 2022/2023

The above budget provision will enable Ministry of Trade, Industry and Cooperatives to implement the following key planned activities in FY 2022/23

- Refurbish Agricultural Storage Facilities.
- Enhance Information and Communication Technology Infrastructure (soft and Hard) ICT Kits.
- Support Quality Infrastructure (Quality Kits).
- Support Metrology Infrastructure (Weighing analysis mechanism).
- Procure, install and commission equipment for Zombo Tea Factory.
- Procure, install & commission equipment of Luwero Fruit Factory.
- Acquire Vocational training equipment.
- Conduct Skills and performance improvement courses.
- Acquire and distribute Startup kits to successful participants trained.
- Continue funds disbursement for compensation to cooperatives that lost assets, property and stocks during the war.
- Supervise, investigate and arbitrate cooperatives across the country.
- License Warehouses, develop and promote Warehouse Receipt Discounting as a financial product.
- Implement activities of National Export Development Strategy with Key MDAs with the view to increase exports
- Market research for the export of strategic products to be conducted.
- Work on Trade Remedies Bill, Consumer Protection Bill, and Competition Bill.
- BUBU Exhibition to be held.
- 500 MSMEs to be trained on making Business Plans, Financial Literacy, Resource Mobilization, Business Negotiations and Record-Keeping.
- 2,150 youths and women to be mobilized for entrepreneurship start-ups and business formalization.
- Formulate the agriculture produce marketing bill and furniture policy.

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OBSERVATIONS AND RECOMMENDATIONS

5.2.1 Ministry Of Trade Industry and Cooperatives

Compensation of war debt claims;

The committee notes that the main objective for the introduction of the cooperative movement was to contribute to the wellbeing and development of Ugandans. However, subsequent policies and events affected the operations of these Cooperatives to the extent that the political instability in Uganda at that time led to the suspension/and/ or closure of these cooperatives. However, as part of Government's reforms, a political decision was taken to compensate the cooperatives, in an effort to stimulate the economy.

Committee observations

- The committee observed that the ministry of Trade Industry and Cooperatives is currently carrying out the verification and payment of war debt claimants concurrently. The committee in its wisdom does not find this feasible. The compensation of war debt claimants is an exercise that started way back in 1986. It is therefore, inconceivable that the verification process is still on-going exercise! Without completion of the verification, we shall experience more claimants coming up, multiple payments of the same claimants and also ghost claimants. This will continue to cause Government financial losses; it is therefore right and fitting to have the whole compensation exercise well streamline, by completing the verification process and then compensation/payment of all the claimants that would have been duly verified.
- In Audit report for FY 2020/21 Auditor General observed that: "In some Cooperatives, the amounts to be paid as compensation for war losses were excess of the amounts originally claimed by the Cooperatives. In addition, payments amounting to UGX.14Bn were made to persons and law firms other than the beneficiary Cooperative Societies"
- In a report by the Committee on Government Assurances presented in 2004 by the then chairperson, Hon Tom Kayongo-, it was observed that Statehouse has also been giving special assistance to individuals for their special contribution to the bush war and this has led to double payments. The same beneficiaries ended up making compensation claims since many other people had done so.

- This report of the Auditor General further revealed that whereas the resolution of Parliament for appropriation of supplementary expenditure schedule No. 3 for FY 2019/2020 for war debt claims was stated at about UGX 1 Trillion out of which UGX 36 Billion representing 17% was meant for cooperatives. The report recommended that the remaining 83% should only be paid after issuance of final verification report by the internal auditor general.
- According to Internal Auditor General report the outstanding compensation was Shs.215.14Bn yet verification was still ongoing for all Unions. Piece-meal verification and compensation has continued to undermine visibility; the burden ahead of government regarding compensation. **See Internal Auditor General's Report on Verification 17th Sept.2020**

Committee recommendations

- The committee recommends that the ministry of Trade, Industry and Cooperatives should halt the payment of war debt claimants and concentrate on the **verification exercise** of these cooperatives. This will guide Parliament as regards the exercise of appropriation, **and also eradicate ghost claimants; multiple claims and payments;** and above all, **to curtail potential opportunistic behaviour by players in the compensation process.**
- The committee recommends that **Ugx 2 billion** be allocated to the Ministry of Trade Industry and cooperatives to carry out verification of war debt claimants
- There is urgent need for putting in place **a comprehensive national reparations policy;** this will effectively provide support for war-affected victims. When the GoU implements a comprehensive reparations policy; this will ideally include the creation of a reparations fund to ensure adequate capacity to provide compensation.

Lack of Tea Sector Quality Regulation

The Committee observed that Government through UDC has invested heavily in the tea sector; this has propelled the sector to a high growth trajectory. However, it cannot achieve the desired revenue due to low grading resulting from lack of tea quality regulation. Ugandan tea has been fetching US\$1.5/kg compared to US\$2/kg charged by Kenya and Rwanda counterparts, and this is due to quality compromises.

As thus, the Committee reiterates its earlier recommendation that the Minister of Trade, Industry and Cooperatives should commence the process of enacting laws that will regulate the Uganda tea sector.

5.2.2 Uganda Development Corporation

The committee observed that majority of the projects being implemented by UDC has not yet started operating at full capacity and are not making any profits for the government. According to the Auditor General's report for the FY 2021, these projects were experiencing various challenges such as need for additional machinery in Soroti Fruit Factory, inadequate inputs to match factory capacity as seen in Atiak Sugar Factory, to mention but a few.

The committee recommends that,

The management of UDC should improve implementation processes by ensuring that guidelines are in place. Additionally, a 'Fund-based' financing approach of UDC should be adopted; where by a feasibility report informs the funding of a project, instead of 'projectised' financing where funds are sent to UDC, already tagged to an investment project to be funded in the absence of feasibility studies. This will allow flexibility during implementation of investment projects

Table 15: Critical unfunded priorities for Uganda Development Corporation

Kyarusozi Tea factory in Kyenjojo	10,000,000,000
Mabale Tea factory in Kyenjojo	2,000,000,000
Coffee grading and roasting factory (Greater Masaka)	1,000,000,000
Coffee processing plant in Kampala	5,475,000,000
Soluble Coffee plant in Wakiso	5,000,000,000
Sugar factory in Luuka	44,000,000,000
Soroti Fruits factory	21,900,810,707
Masaka Fruits Factory	10,000,000,000
East Africa Medical Vitals	25,000,000,000
Cocoa processing plant in Bundibugyo	10,000,000,000
Aponye (Lwengo & Mubende) - Grain value addition and expansion of storage capacity	10,000,000,000
Afrokai (Nwoya & Kasese) - Grain value addition and expansion of storage capacity	15,000,000,000
Agroways (Jinja & Mbarara) - Grain value addition and expansion of storage capacity	5,000,000,000
Packaging production plant in Lira	10,000,000,000
Sponge iron manufacturing plant in western region	4,000,000,000
An Integrated Cement, lime and marble factory in Moroto	50,000,000,000
Sheet glass manufacturing plant in Masaka	2,000,000,000
Abubaker Technical Services - roads and buildings construction services	50,000,000,000
ETATS - roads and buildings construction services	10,000,000,000
Total budget for unfunded priorities	290,375,810,707

5.2.3 Uganda Warehouse Receipt Systems Authority (UWRSA)

The Committee made the following findings in relation to Uganda Ware House Receipt System Authority -

That the funds budgeted by the Authority, amounting to UGX 10.15Bn for use to refurbish storage facilities and provide metrological infrastructure (Weighing analysis mechanism) were budgeted for a work program outside the mandate of the Authority.

The Uganda Ware House Receipt System Authority is established under section 3 of the Ware House Receipt System Act, 2006, herein after referred to as the Act, as a regulatory Authority.

The functions of the Authority are prescribed under section 6 of the Act and they are to—

- (a) license warehouses;
- (b) license warehouse keepers;
- (c) license warehouse inspectors;
- (d) issue negotiable warehouse receipts books; and
- (e) carry out and perform such other functions as are conferred or imposed on it by this Act or regulations made under the Act.

It is evident that that the Authority is vested with regulating the warehouse receipt system under section 6 and any additional functions must be, in accordance with section 6 (e), be specifically authorized by an Act of Parliament or regulations.

The Committee finds that the funds budgeted by the Authority, amounting to UGX 10.15Bn, for use to refurbish storage facilities and provide metrological infrastructure (Weighing analysis mechanism) were budgeted for a work program outside the mandate of the Authority and as such should therefore not be appropriated.

Indeed, to grant funds to the Authority to refurbish storage facilities and provide metrological infrastructure (Weighing analysis mechanism) will allow the Authority participate in activities that are licensed by itself under the Act.

This will make the Authority a regulator while at the same time participating in the industry it regulates. This is not only contrary to the provisions of section 6 of the Act but at the same time will have a detrimental effect on the execution of the mandate of the Authority since the Authority will concentrate more on establishing warehouses rather than regulating the provision of the objectives of the Act.

Furthermore, allowing the authority to participate in the industry it regulates is not encouraged because it results in regulatory capture. The concept of Regulatory Capture

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typically refers to a phenomenon that occurs when a regulatory agency that is created to act in the public interest, instead advances the commercial or political concerns of special interest groups that dominate an industry or sector the agency is charged with regulating. When regulatory capture occurs, the interests of firms or political groups are given priority or favor over the interests of the public. By participating in the industry it regulates, there is a likely hood that the Authority will prioritize the commercial interests of its undertakings rather than the public interest objectives for its establishment.

In light of the above, the mandate of the Authority prescribed under section 6 does not provide for the development, refurbishing or provision of metrological infrastructure. The Authority, will be acting ultra vires to its mandate and Parliament should not facilitate it to commit such illegality.

RECOMMENDATIONS

(a) The Authority's request for Shs.10.15Bn to be used to refurbish storage facilities and provide metrological infrastructure (Weighing analysis mechanism) was not approved by the Committee and should not be approved by the House since the Authority does not have such mandate under the law.

(b) The Managing Director of the Ware House Receipts Authority is advised to seek an amendment of the Warehouse Receipt System Act, 2006 in order to expand its mandate.

(c) The Managing Director should be cautious about planning for activities for which the Authority has no mandate over and is directed to execute her mandate within the confines of the law.

The committee further observed that,

That Section 17 (2) of the PFM Act, 2015 requires that all the unspent balances at the end of the FY to be repaid into the consolidated fund. However, UWRSA has continued to hold money across Financial Years without disclosure. For instance, at the end of the FY 2020/21 the authority did not transfer Shs 4.87 billion into the consolidated fund, as required by the law.

The committee therefore, recommends that,

The accounting officer of the MTIC should cause a **transfer of the said money to the consolidated fund** and also continue to effectively supervise that particular agency regarding unspent balances.

5.2.4 Management Training and Advisory Centre (MTAC)

The governing body of the Centre is the Council established under section 7 of the Management Training and Advisory Centre Act, 1969 and is composed of ex officio members including the Permanent Secretary of the Ministry responsible for commerce

and industry or his or her representative; the Permanent Secretary of the Ministry responsible for education or his or her representative; and the Permanent Secretary/labour commissioner of the Ministry responsible for labour matters or his or her representative; and not more than eight and not less than four appointed members including the chairperson whose appointments shall be notified in the Gazette, of whom two shall be representatives of employers, two representatives of employees and not more than three other members all appointed by the Minister responsible for Trade. The Council under section 8 of the Act is charged with the functions of administration and management policy of the Centre and shall be responsible to see that the same is carried out by the Centre.

1. In the case of Sam Kuteesa & 2 ors Vs Attorney General, it was held that;

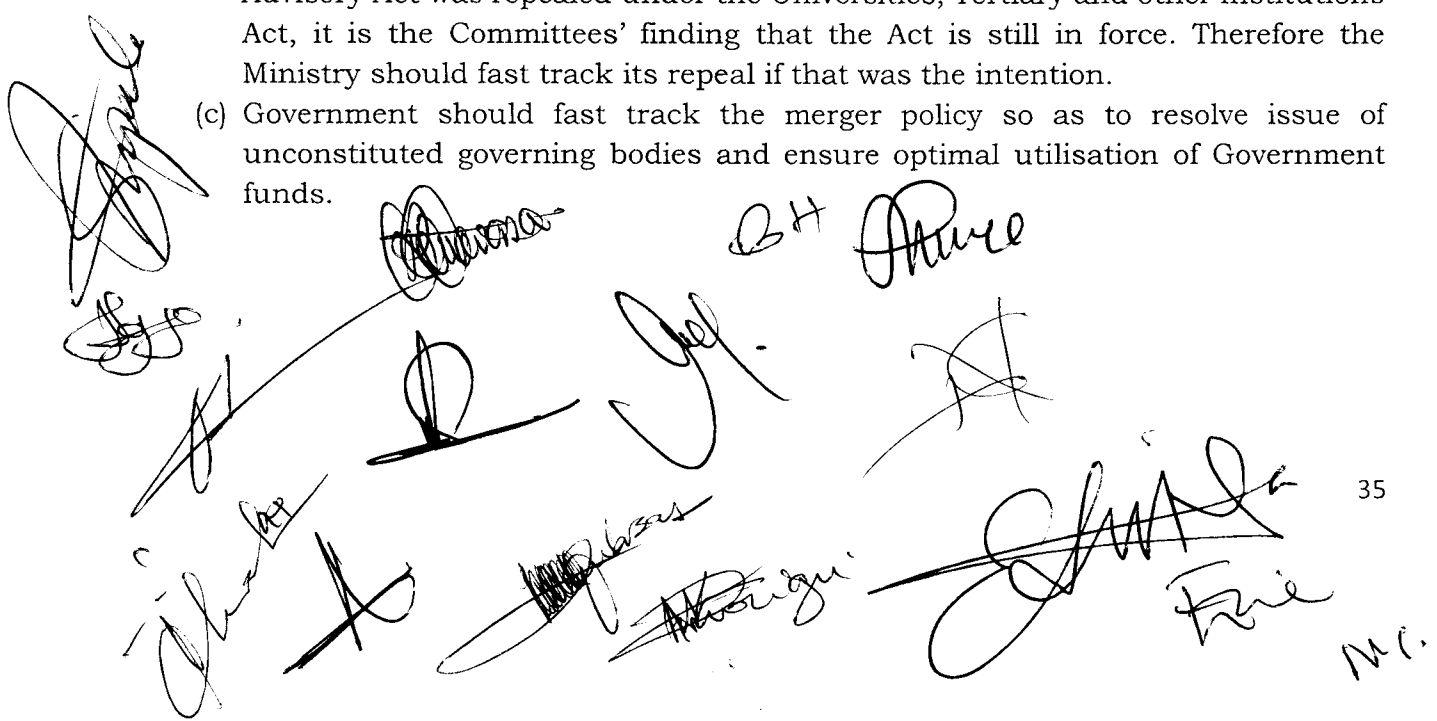
“ When several persons are appointed to exercise judicial powers, then in the absence of a provision to the contrary, they must all act together; there can be only one adjudication, and that must be the adjudication of the entire body, and the same rule would apply whenever a number of individuals were empowered by statute to deal with any matter as one body; the action taken would have to be the joint action of all of them for otherwise they would not be acting in accordance with the provisions of the statute.”

The committee observed that MTAC has been operating without a governing council since 2015 and therefore not in accordance with the law.

The committee further observed that MTAC has not developed the required 5 - year strategic plan that is supposed to be aligned to the National Development Plan III.

The Committee recommends that

- (a) The Ministry of Trade Industries and Cooperatives fast tracks the appointment of the board for MTAC to ensure that the entity operates in accordance with the law as established.
- (b) Whereas the Minister informed the Committee that the Management Training and Advisory Act was repealed under the Universities, Tertiary and other Institutions Act, it is the Committees' finding that the Act is still in force. Therefore the Ministry should fast track its repeal if that was the intention.
- (c) Government should fast track the merger policy so as to resolve issue of unconstituted governing bodies and ensure optimal utilisation of Government funds.



5.2.5 VOTE 136 - Uganda Export Promotion Board

The Uganda Export Promotion Board is established under section 4 of the Uganda Export Promotion Board Act, Cap 102 with the objectives of facilitating the development, promotion and coordination of all export related activities that lead to export growth on a sustainable basis. The governing body of the entity is an eleven (11) member board of directors appointed by the Minister for a three year tenure.

Under section 8, the Board is supposed to carry out functions of overseeing the implementation of the board's policies and programmes, **approving the annual budget and action plans of the board; monitoring and evaluating the performance of the board against budget and plans; approving the annual reports and accounts of the board;** establishing and approving rules and procedures for proper financial management and accountability; establishing and approving rules and procedures for appointments, discipline, termination of services and general personnel matters; and making or approving senior staff appointments. **Under section 13, the executive director prepares and submits to the board of directors for its approval estimates of income and expenditure of the board which submits the estimates to the Minister for approval;** and the Minister in consultation with the Minister responsible for finance considers the estimates and notifies the board of his or her decision on the estimates within one month from the date of submission of the estimates by the board.

No expenditure shall be made out of the funds of the board unless that expenditure is part of the expenditure approved by the board of directors under the estimates for the financial year in which the expenditure is to be made or in estimates supplementary to it.

Observations

The Committee observes that the Uganda Export Promotion Board has not been constituted for the past 3 years. Considering the functions of the Board, the existence of the Board as a governing body is paramount and all the processes carried out with the aim of seeking approval of budget estimates by Parliament are rendered nugatory since they bear no legal thrust. In the case of Sam Kuteesa & 2 ors Vs Attorney General, it was held that;

" When several persons are appointed to exercise judicial powers, then in the absence of provision to the contrary, they must all act together; there can be only one adjudication, and that must be the adjudication of the entire body, and the same rule would apply whenever a number of individuals were empowered by statute to deal with any matter as one body; the action taken would have to be the joint action of all of them for otherwise they would not be acting in accordance with the provisions of the statute."

In view of the above case, it is a glaring fact that the budget estimates were not prepared in accordance with the law and did not go through the required approvals. As such, the Committee did not approve them and Parliament should not appropriate funds in this regard.

Recommendations

The Minister of Trade should constitute the Board with immediate effect or seek for disbandment or merger of in order to avoid unnecessary Government expenditure.

Table16: Half Year Budget Performance for FY 2021/22 (1st July to 31st Dec. 2021)

Billion UGX	Approved	Released	Spent by	% Budget	% Budget	Releases
	Budget	by End Dec	End Dec	Released	Spent	Spent %
Wage	1.261	0.631	0.607	50.00%	48.10%	96.20%
Non-Wage	5.226	3.149	1.93	60.20%	36.90%	61.30%
Devt GoU	0.056	0.056	0	100.00%	0.00%	0.00%
GoU Total	6.544	3.836	2.537	58.60%	38.80%	66.10%

Source: MoFPED Semi – Annual Budget Performance Report FY 2021/22

Approved budget for UEPB was Shs.6.54Bn by end of Half year 2021/22, Shs.3.836Bn had been released which registered a release performance of 58.5%. Out of the release, Shs.2.53Bn (38.8%) was spent by end of the half year. Total budget released amounted to Shs.3.83Bn (66.10%) by first half of FY 2021/22. The increase in release performance is attributed to activities of the Dubai expo.

Table17: Proposed Budget allocation to Uganda Export Promotions Board FY 2022/23

Budget	Approved Budget FY 2021/23	Proposed FY 2022/23 by	Change
Wage	1.2	1.2	0
Non-Wage	5.23	3.55	-1.68
Devt GoU	0.06	0.03	-0.03
Total	6.49	4.78	-1.71

Source: MTIC MPS- FY 2022/23 & PBO Computations

UEPB Wage Budget is projected to remain the same at Shs.1.26Bn, while budget for non-wage and Development are expected to reduce by Shs.1.67Bn and 0.03Bn respectively.

Recruitment to fill the staff establishment

The Committee observed that UEPB staff manpower is low compared to its mandate. Currently, UEPB staff structure is at 50% (20 staff) hence the need to recruit the remaining 50% to fill the total staff establishment of 40 people. UEPB requires UGX1.249Bn to recruit additional staff to fully implement its mandate.

The committee recommends that

- The Ministry of Trade Industries and Cooperatives fast tracks the appointment of the board for UEPB to ensure that the entities don't operate in an illegality.
- Government should provide UGX1.249Bn to enable UEBP recruit additional staff to implement its statutory mandate.

5.2.6 VOTE 154 - Uganda National Bureau of Standards

Table 18: Half Year Budget Performance FY 2021/22 (1st July 2021 – 31st Dec 2021)

	Approved Budget	Released	Spent by	% Budget	% Budget	%
	FY 2021/22	by End Dec	End Dec	Release d	Spent	Spent
Wage	21.356	10.678	10.205	50.00%	47.80%	95.60%
Non-Wage	36.036	18.252	16.278	50.70%	45.20%	89.20%
Devt GoU	7.653	3.826	1.026	50.00%	13.40%	26.80%
GoU Total	65.045	32.757	27.509	50.40%	42.30%	84.00%

Source: MTIC Policy Statement FY 2021/22 and PBO Computations

Approved budget for UNBS was Shs.65.045Bn out of which Shs.32.757Bn was released by Half year FY2021/22 while Shs.27.50B was actually spent. While Shs.3.82Bn (50%) of the development budget was released, UNBS only spent Shs.1.02Bn (26.8%) other expenditure categories performed satisfactorily.

Observations and Recommendations

Furthermore, in the FY 2021/22, Ugx 6 billion was provided towards clearing terminal arrears. This only covered 82.35% of the total arrears. This implies that there is still a deficit of 17.65% of which no provision has been made.

- UNBS should be availed with funds amounting to UGX 7.425 billion for a phased enhancement of salaries for their staff in the ‘science’ category.
- The committee further recommends that government should provide funds to cater for gratuity arrears.

The committee observed that the tourism development programme and Trade, industry and Cooperatives entities are grossly underfunded the committee was presented several unfunded priorities however , the following are considered very critical and should be provided for within the financial year 2021/22 through reallocation as follows;

The committee observed that the Trade, industry and Cooperatives entities are grossly underfunded the committee was presented several unfunded priorities however, the following are considered very critical and should be provided for within the financial year 2021/22 through reallocation as follows;

134	Bureau of Standards	Vote 134: CNBS to recruit additional staff	3.0
015	Ministry of trade, Industry and Cooperatives	Project Code:1495 - Rural Industrialization Development Project (RIDP)	10
		UDC - Bundibugyo Cocoa Factory - Upon determination viability by end of June (Designs and Preliminaries)	2.3

		UDC- Investment in East Africa Medical Vitals. To buy the second line and working capital. The only African factory Manufacturing powder free Medical Gloves	15
		Management Training Advisory Center (MTAC) to fund Deficits in the Provision of free Job Creation Training Interventions at Constituency level	2
	Total - Trade		34.3

7.0 PROPOSED BUDGET ESTIMATES FOR FY 2022/23

Right Hon Speaker and Hon. Members, the Committee recommends that Parliament adopts this report and approves the budgetary estimate (UGX, bns) for the FY 2022/23 under the following votes:

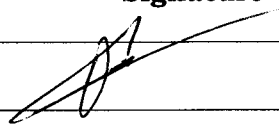
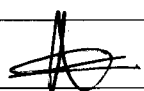
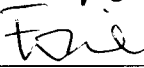
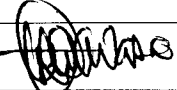
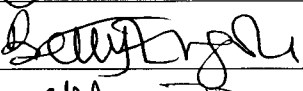

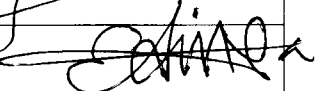
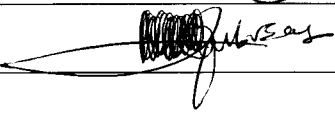
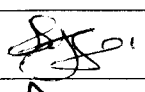

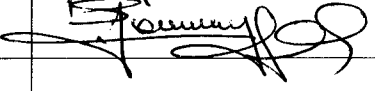
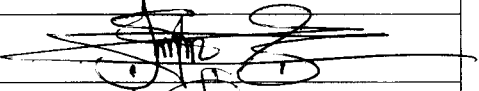

Table 20 - Figures for Appropriation

VOTE	Ministry /MDA	Recurrent	Development
117	Uganda Tourism Board (UTB)	26,357,907	1,093,182
022	Ministry of Tourism, Wildlife and antiquities	151,993,304	11,846,950
015	Ministry of Trade, Industry and Co-Operatives	74,413,793	14,055,363
136	Uganda Export Promotions Board	4,814,593	33,768
154	Uganda National Bureau of Standards (UNBS)	40,188,420	4,591,749

Right Hon Speaker and Hon. Members,

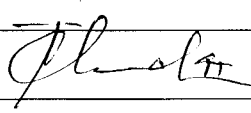

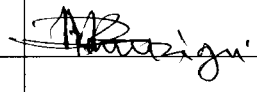
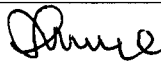
I beg to submit.

Ministerial Policy Statement report to the budget committee for FY 2022/23

No.	Name	Signature
1	Hon. Mwine Mpaka Rwamirama	
2	Hon. Catherine Lamwaka	
3	Hon. Afidra, Ronald Olema	
4	Hon. Aleper, Margaret Achilla	
5	Hon. Amero, Susan	
6	Hon. Amooti, Bright Tom	
7	Hon. Atukwasa, Rita	
8	Hon. Awor, Betty Engola	
9	Hon. Businge, Harriet Mugenyi	
10	Hon. Edakasi, Alfred Elalu-Olale	
11	Hon. Gafabusa, Richard Muhumuza	
12	Hon. Isabirye, David Aga	
13	Hon. Kayemba, Geoffrey Ssolo	
14	Hon. Kemirembe, Pauline Kyaka	
15	Hon. Kirabo, Agnes	
16	Hon. Koluo, Joseph Andrew	
17	Hon. Katwesigye, Oliver Koyokyenga	
18	Hon. Lukyamuzi, David Kalwanga	
19	Hon. Mbwarekamwa, Gaffa	
20	Hon. Mugole, David Stephen Mauku	
21	Hon. Mushemeza, Elijah Dickens	
22	Hon. Nayeabale, Sylvia	



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23	Hon. Ogwal, Cecilia Barbara Atim	
24	Hon. Okello, Geoffrey Charles	
25	Hon. Osoru, Mourine	
26	Hon. Ssentayi, Muhamad	
27	Hon. Ssimbwa, Fred	
28	Hon. Timuzigu, Michael Kamugisha	
29	Hon. Wanyama, Michael Odwor	
30	Hon. Were, Godfrey Odera	
31	Hon. Mwijukye Francis	
32	Hon. Katoto Muhammad	

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