FOR GOD AND MY COUNTRY

PARLIAMENT OF UGANDA

REPORT OF THE BUDGET COMMITTEE ON THE NATIONAL BUDGET FRAMEWORK PAPER FOR THE FY 2023/24 -FY 2027/28

JANUARY 2023

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LIST OF ACRYNOMS

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

1.0 INTRODUCTION

Rt. Hon. Speaker, and Hon. Members,

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

In compliance with above provisions, I beg to present a report of the Budget Committee on the National Budget Framework Paper for the Fiscal year 2023/24- 2027/28 for consideration and approval by this August House as required by section 9(8) of the PFMA 2015 and Rule 145(3).

This report structured in two parts:

Part One: Legal Compliance; Economic and Budget Performance; Economic & Budget Strategy for FY2023/24; Policy Observations and Recommendations

Part Two: Committee observations and recommendations on Vote Plans and Expenditures

1.1 METHODOLOGY

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

Key Documents Examined:

- The National Budget Framework Paper for the FY2023/24- FY 2027/28;
- The Third National Development Plan (NDPIII), FY2020/21-FY2024/25;
- The Approved Charter of Fiscal Responsibility for FY2022/23-FY2025/26;
- The Certificate of Gender & Equity Responsiveness for FY2023/24- FY 2027/28;
- The Public Finance Management Act, 2015 (as amended);
- The Annual Budget Performance Report for FY2021/22
- The Annual Macroeconomic & Fiscal Performance Report for FY2021/22
- Parliamentary Committee Reports;

- *The* First Budget Call Circular *(1st Bcc) on Preparation of The* Budget *Framework Papers (BFPs) and Preliminary Budget for FY2023/24;*
- *Mid-term Review of Third National Development Plan (NDPIII)-Synthesis* Report by National Planning Authority, August 2022;
- Civil Society Statement (at National Budget Conference) on the National Budget Strategy FY2023/24
- The FY2023/24 National Budget Strategy Report-Sept 2022, MFPED;
- Budget Monitoring and Accountability Unit (BMAU) Reports on assessing performance of implementation of Programme Implementation Action Plans (PIAPs) of the third National Development Plan (NDPIII);
- Uganda Public Investment Management Assessment Report by the IMF, November 2022;

Stakeholders Consulted:

- Ministry of Finance, Planning and Economic Development (MFPED)

PART ONE:

2.0 LEGAL COMPLIANCE

In accordance to Section 9 of the PFMA, 2015 (as amended):

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

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

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

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

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

2.1 Submission of the NBFP to Parliament

The National Budget Framework paper for FY2023/24-2027/28 was submitted to Parliament and laid on the 23rd of December 2022 accompanied with the Certificate of Gender and Equity Responsiveness within the stipulated time frame as required by PFM (2015) Act.

2.2 Compliance with Schedule 3 of the PFMA

An assessment by the Committee indicates that the NBFP's overall structural compliance level to Schedule 3 of the PFMA (2015) largely conforms to the requirements of Schedule 3 under the PFM (2015) Act.

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

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

The Committee reiterates its earlier recommendations that the Schedule 3 of the PFMA is fully complied with and a detailed statement on compliance to Schedule 3 is always presented to Parliament whenever the NBFP is laid in Parliament.

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

Schedule 3, PFMA	**Schedule 3 Legal Requirements**	**NBFP Provisions**
Schedule 3(1)	Medium term Macroeconomic forecasts: BFP should indicate the actual, estimated and projections covering the previous two FYs, the current FY and the next five FY.	The average and year end gross domestic. Year end GDP outturns and forecast provided
		The rate of inflation (average and year end): Year-end Inflation outturns and forecast provided
		The rate of employment and unemployment provided is 47% for formal employment (March 2021) & 9% (FY2019/20) respectively.
		The average and year end exchange rates: only average rates for two years availed
		The interest rates: only the previous 2 years average provided
		The money supply: not provided
Schedule 3(2)	Medium term fiscal Framework: Targets of Government for variables which are subject of Fiscal objectives under CFR	Presented under section 1.3
Schedule 3(3)	Medium term fiscal Forecast: covering the previous two FY, current FY and next five FY	Non petroleum revenue availed
		Petroleum revenue provided
		Expenditure and net lending provided
		Overall balance provided
		Non petroleum balance provided
Schedule 3(5)	Statement of Resource for the annual budget for next Financial year	Presented under section 1.4. However the floor of investments of Gov't in the FY is not provided
Schedule 3(6)	Statement of Policy measures	Provided under section 1.9

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Schedule 3, PFMA	Schedule 3 Legal Requirements	NBFP Provisions
Schedule 3(7)	Medium Expenditure Framework	Projections of Government expenditure in respect of each vote (and each programme) for the financial year and the next financial year(s) split into current expenditure and investment expenditure is provided in Annex 1 and 2
Schedule 3(8)	Fiscal Risks statement	Statement of main sources of risks on fiscal objectives of Government provided in section 1.8. However the quantified estimation of fiscal impacts of these risks is not provided

Source: PBO Compilations

2.2 Consistency with the National Development Plan III

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

This goal is expected to be achieved through an overall strategy **of sustainable industrialisation, for wealth creation, employment and inclusive growth.**

To achieve this goal, five key objectives have been identified in the NDPIII and these include:

(i) Enhancing value addition in key growth opportunities;
(ii) Strengthening the private sector capacity to drive growth and create jobs;
(iii) Consolidating and increase the stock and quality of productive infrastructure;
(iv) Enhancing productivity, inclusiveness and social wellbeing of the population; and
(v) Strengthening the role of the state in development

Following a paradigm shift from sector based planning to programme based planning approach, twenty (20) strategies for achieving these objectives were developed and 18 national level corresponding programmes were developed as indicated in the table 2 below.

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Table 2: NDPIII Objectives, Strategies and Programmes

NDPIII Objective	Strategies for achieving objectives	National Level programme for achieving the objective (s)
1. Enhance value addition in Key Growth Opportunities	1. Promote agro-industrialization 2. Increase local manufacturing activity 3. Promote mineral-based industrialization 4. Harness the tourism potential 5. Promote export-oriented growth	1. Agro-Industrialization 2. Mineral Development 3. Sustainable Development of Petroleum Resources 4. Tourism Development 5. Natural Resources, Environment, Climate Change, Land and Water Management
2. Strengthen private sector capacity to drive growth and create jobs	6. Provide a suitable fiscal, monetary and regulatory environment for the private sector to invest 7. Increase local content participation	6. Private Sector Development 7. Manufacturing 8. Digital Transformation
3. Consolidate & increase stock and quality of Productive Infrastructure	8. Institutionalize infrastructure maintenance 9. Develop intermodal transport infrastructure 10. Increase access to reliable & affordable energy 11. Leverage urbanization for socio-economic transformation	9. Integrated Transport Infrastructure and Services 10. Sustainable Energy Development 11. Sustainable Urbanization and Housing
4. Increase productivity, inclusiveness and social wellbeing of Population.	12. Improve access and quality of social services 13. Institutionalize HR planning 14. Enhance skills and vocational Development 15. Increase access to social protection Promote STEI 16. Promote development oriented mind-set	12. Human Capital Development 13. Community Mobilization and Mind-set Change 14. Innovation, Technology Development & Transfer 15. Regional Development
5. Strengthen the role of the State in development	17. Increase govt. participation in strategic sectors 18. Enhance partnerships with non-state actors for effective service delivery 19. Re-engineer Public service to promote investment 20. Increase Resource Mobilization	16. Governance and Security 17. Public Sector Transformation 18. Development Plan Implementation 19. Legislature 20. Judiciary

Source: NDPIII

A) Macroeconomic Policy Alignment

With regards to Macroeconomic Policy alignment, the NBFP is largely aligned to the NDPIII (see table 3 below for details).

Table 3: Consistency between NDP III and NBFP Macroeconomic Policy targets

NDP III Macroeconomic Policy Objectives	NBFP Macroeconomic Policy Targets
Poverty reduction from 21.4 percent to 18.5 percent by FY2024/25	Information Not Provided
Achieving an accelerated economic growth rate at about 7 percent by FY2024/25	Growth is projected at 6.0% in 2023/24 thereafter increase to 6.5% in 2024/25, 7.0% in 2025/26 and 7.2% in FY2026/27
Increase in the stock of jobs by an annual average of about 512,000	Target of Projected Stock of jobs to be created in the FY2023/24 not provided
Maintaining core inflation within the target band of 5 percent +/- 3	Core inflation projected at 6.8% in 2023/24, 5.0% in 2024/25 , 4.4% in FY2025/26 and 4.5% in FY2026/27
Ceiling on debt to GDP of 50 percent in present value terms and a gradual achievement of a fiscal deficit of 3 percent by FY2024/25	Nominal Value of Debt to GDP projected at 53.1% by end of FY2022/23 and decline to below 50 percent by FY2025/26.
Domestic revenue average annual growth of 0.5 of GDP percentage points	Domestic Revenue to GDP projected to increase by an average of 2% over the medium term.

Source: PBO Compilations

B) Allocative Efficiency Alignment

In regards to allocative efficiency alignment of the NBFP to the NDPIII, there are slight allocative inefficiencies as highlighted in table 4, mainly under the NDP III objectives of enhancing value addition in key growth opportunities.

It is important to note that the projected budget allocation in the FY2023/24 towards programmes that contribute directly to enhancing value addition in key growth opportunities is only 5.6% of the total budget; and only 4.7% of the total projected budget of the FY2023/24 has been allocated to programmes

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that contribute directly to strengthening the private sector capacity to drive growth and create jobs. See table 4 for details.

It should also be noted that the underlying assumptions of the NDPIII have been overtaken by events owing to the external shocks like the recent Covid-9 pandemic. This may therefore necessitate a review of the NDP III strategic direction and costing thereof.

Table 4: Assessment of allocative efficiency alignment

	2022/23 Approved Budget		2023/24 NDPIII Allocations		2023/24 Proj. Budget	
NDPIII Objectives and respective programmes for achieving objectives	**UShs (Bn.)**	**As ratio of Total Budget**	**UShs (Bn.)**	**As ratio of Total Budget**	**UShs (Bn.)**	**As ratio of Total Budget**
Enhance value addition in Key Growth Opportunities	**3,180.73**	**6.7%**	**5,454.00**	**9.7%**	**2,713.70**	**5.6%**
01 AGRO-INDUSTRIALIZATION	1,449.81	3.1%	1,684.00	3.0%	1,499.33	3.1%
02 MINERAL DEVELOPMENT	31.786	0.1%	524.00	0.9%	38.50	0.1%
03 SUSTAINABLE PETROLEUM DEVELOPMENT	869.316	1.8%	644.00	1.1%	539.21	1.1%
05 TOURISM DEVELOPMENT	194.677	0.4%	774.00	1.4%	89.30	0.2%
06 NATURAL RESOURCES, ENVIRONMENT, CLIMATE CHANGE, LAND AND WATER	635.142	1.3%	1,828.00	3.2%	547.36	1.1%
Strengthen private sector capacity to drive growth and create jobs	**2,197.06**	**4.7%**	**2,011.00**	**3.6%**	**2,243.24**	**4.7%**
07 PRIVATE SECTOR DEVELOPMENT	1,653.91	3.5%	620.00	1.1%	1,798.08	3.7%
04 MANUFACTURING	418.92	0.9%	577.00	1.0%	268.40	0.6%
11 DIGITAL TRANSFORMATION	124.226	0.3%	814.00	1.4%	176.76	0.4%
Consolidate & increase stock and quality of Productive Infrastructure	**6,252.39**	**13.2%**	**6,874.00**	**12.2%**	**5,984.34**	**12.5%**
09 INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES	4,300.65	9.1%	5,203.00	9.2%	4,656.49	9.7%
08 SUSTAINABLE ENERGY DEVELOPMENT	1,577.11	3.3%	831.00	1.5%	1,222.92	2.5%
10 SUSTAINABLE URBANISATION AND HOUSING	374.628	0.8%	840.00	1.5%	104.92	0.2%
Increase productivity, inclusiveness and social wellbeing of Population	**10,596.42**	**22.4%**	**12,507.00**	**22.2%**	**9,839.85**	**20.5%**
12 HUMAN CAPITAL DEVELOPMENT	9,089.54	19.2%	6,553.00	11.6%	9,005.61	18.7%
15 COMMUNITY MOBILIZATION AND MINDSET CHANGE	74.984	0.2%	866.00	1.5%	22.00	0.05%
13 INNOVATION, TECHNOLOGY DEVELOPMENT AND TRANSFER	274.42	0.6%	602.00	1.1%	177.57	0.4%

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	2022/23 Approved Budget		2023/24 NDPIII Allocations		2023/24 Proj. Budget	
17 REGIONAL BALANCED DEVELOPMENT	1,157.48	2.5%	4,486.00	8.0%	634.68	1.3%
Strengthen the role of the State in Development	**25,003.63**	**52.9%**	**29,510.00**	**52.4%**	**27,265.34**	**56.7%**
16 GOVERNANCE AND SECURITY	7,167.32	15.2%	8,052.00	14.3%	6,824.89	14.2%
14 PUBLIC SECTOR TRANSFORMATION	222.692	0.5%	4,158.00	7.4%	208.17	0.4%
18 DEVELOPMENT PLAN IMPLEMENTATION	16,298.55	34.5%	17,300.00	30.7%	18,889.51	39.3%
20 LEGISLATION, OVERSIGHT AND REPRESENTATION	915.059	1.9%	-	0.0%	919.98	1.9%
19 ADMINISTRATION OF JUSTICE	400.019	0.8%	-	0.0%	422.80	0.9%
TOTAL	**47,230.23**	**100.0%**	**56,356.00**	**100.0%**	**48,046.47**	**100.0%**

Source: PBO computations, NDP III, NBFP

Hon Members, effort was made by both NPA and MFPED to align the national budget to NDPIII by providing processes and guidelines aimed at linking the budget to the NDPIII through Programme Implementation Action Plans (PIAPs). However, the alignment of the NDP III to the budget has averaged at 60.3 percent over the last four years, notwithstanding the many unfunded priorities.

According to the NDPIII mid-term review report (MTR) by NPA, the following challenges have constrained the effective alignment of National Budgets to the NDP III:

i. The NDPIII contains more projects than what can be financed by the national budget;
ii. Programme planning, costing and monitoring capacity in both MDAs and LGs is still inadequate and this has constrained the programme-based system;
iii. The PIAP results frameworks are not directly linked to the actual expenditure system, IFMIS/Chart of Accounts. The MTR established that whereas attributes like Programme/Sub-Programme and approved NDPIII projects are integrated into the IFMIS/Chart of Accounts; the interventions which are the key unique identifiers of the NDPIII are not part of the budget execution system.

In this regard, the Committee recommends the following:

- **Domestic revenue mobilisation interventions should be strengthened as Government aggressively seeks external funding**

from development partners. In addition, it will be necessary to put planning and budgeting on a more fiscally realistic path due to the current global economic challenges.

- **Programme planning, costing and monitoring capacity in both MDAs and LGs must be strengthened;**
- **PIAP results frameworks ought to be directly linked or integrated into IFMIS;**

2.3 Consistency with the Charter of Fiscal Responsibility (CFR)

Hon Members, the second Charter for Fiscal Responsibility was approved by Parliament on the 27thof January, 2022. The purpose of the Charter is to provide Government's fiscal policy objectives in the next five years that will ensure sustainable delivery of the country's goal of socioeconomic transformation.

The Charter sets out Government's commitment to managing fiscal policy in accordance with clear and measurable objectives that are consistent with the following fiscal principles;

i. Sufficiency in revenue mobilisation to finance Government programmes.
ii. Maintenance of prudent and sustainable levels of public debt.
iii. Ensuring that the fiscal balance, when calculated without petroleum revenues, is maintained at a sustainable level over the medium term.
iv. Management of revenues from petroleum resources and other finite natural resources for the benefit of current and future generations.
v. Management of fiscal risks in a prudent manner.
vi. Consistency of the Medium Term Expenditure Framework with the National Development Plan.
vii. Efficiency, effectiveness and value for money in expenditure.

The Charter of Fiscal Responsibility (CFR) for FY2021/22 – FY2025/26, has the following fiscal objectives:

1) Total Public debt in Nominal terms is reduced to below 50% of GDP by financial year 2025/26;
2) Total domestic debt interest payments to total revenues (excluding grants) is reduced to 12.5%:
3) Nominal Publicly guaranteed debt to GDP is maintained below 5%
4) The Government may borrow from the Bank of Uganda only in accordance with section 36 (5)(a) and (b) of the Public Finance Management Act, 2015 as amended and section 33 of the Bank of Uganda Act;

5) The Overall Fiscal Balance including grants should gradually adjust to a deficit not exceeding 3.0 percent of non-oil GDP by financial year 2025/26;
6) The ratio of Non-oil revenue to GDP shall grow by at least 0.5 percentage points on an annual basis;
7) The growth rate in recurrent spending as a percentage of GDP shall not exceed the growth rate of revenue (excluding oil) as a percentage of GDP;
8) A maximum of Oil revenue worth 0.8% of the preceding year's estimated non-oil GDP outturn shall be transferred to the Consolidated Fund for budget operations.

In order to ensure effective compliance with the charter, a path (i.e. annual targets) were set.

The FY 2023/24 projected fiscal deficit as percent of GDP (of -3.0%) and public debt to GDP ratio are all within the set targets in the Charter for Fiscal Responsibility. It should be noted that public debt is projected to peak at 53.1 percent in June 2023 and decline to below 50 percent by FY2025/26.

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

2.4 Gender and Equity Responsiveness

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

a) Certifying that the National Budget Framework Paper for FY 2023/24 – 2027/28 is gender and equity responsive; - and

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

The parameters by the Equal Opportunities Commission in assessing the compliance of the National Budget Framework Paper include:

1. Ascertaining the extent to which Program objectives focus on inclusive growth and wealth creation as provided for the NDP III;
2. Examining the level of compliance of Programs with Gender and Equity requirements in reporting on past performance and their Medium Term commitments;

3. Examining the extent to which Programs allocate budgetary resources to priority outputs in response to Gender and Equity concerns or issues;
4. Establishing the extent to which Programs have incorporated the Gender and Equity outcomes in their plans and budgets for FY 2023/2024 as demonstrated in the National Budget Framework Paper;
5. Assessing Gender and Equity challenges faced by Programs in budgeting and programming and recommended appropriate measures for corrective action towards ensuring equal opportunities for all.

In fulfillment of the requirements of the sections 9(5) to 6(a-b), the Commission assessed the National Budget Framework Paper for FY 2023/24 – 2026/27 and the overall compliance with Gender and Equity requirements was at 53%, representing a significant reduction from last NBFP of FY2022/23 rated at 70.0% (see table 6 for details).

Out of the 20 programme BFPs, only 12, met the minimum requirements (i.e. 50% and above), while the following 8 programme BFPs did not meet the minimum requirements:

1. Private Sector Development
2. Regional Development
3. Innovation, Technology Development and Transfer
4. Agro-industrialization
5. Manufacturing
6. Mineral Development
7. Sustainable Energy Development
8. Digital Transformation

In this regard, the Commission recommended that the 8 programmes should not be issued the Certificate of Gender and Equity compliance until their results are submitted.

The Committee observes:

- Interventions articulated in the Certificate were not informed by any national gender and equity gap-mapping survey to inform the assessment of the national budget framework paper and subsequently recommendations of the Equal Opportunities Commission.
- The late submission of Programme Budget framework Papers to the EOC affects the timely assessment and production of the assessment report and hence hinders the timely issuance of the Certificate.
- Some MDAs do not possess adequate capacity in gender and equity data disaggregation, costing/budgeting of gender and equity interventions, among others.

Committee Recommendations:

- **Equal Opportunities Commission is supported to undertake periodic national gender and equity gap-mapping surveys;**
- **More capacity building should be undertaken at all MDAs especially with regard to the gender disaggregated data compilation, gender budgeting and assessment, developing gender and equity performance indicators, among others;**
- **The programme secretariat's that do not submit the required programme BFPs on time should be subjected to the sanctions as provided for in Section 78 of the PFMA, Act (2015, as amended).**

Table 6: Gender and Equity performance

Programme	**NBFP2022/23**	**NBFP2023/24**
Sustainable Urbanization and Housing	65%	61%
Community Mobilization and Mindset Change	79%	60%
Legislature	69%	60%
Tourism Development	63%	60%
Human Capital Development	80%	57%
Sustainable Petroleum Development	59%	57%
Governance and Security	68%	56%
Climate Change, Land and Water Management	75%	55%
Development Plan Implementation	73%	55%
Public Sector Transformation	70%	53%
Administration of Justice	70%,	50%
Integrated Transport Infrastructure and Services	68%	50%
Private Sector Development	61%	34%
Innovation, Technology Development and Transfer	69%	31%
Regional Development	65%	31%
Agro-industrialization	69%	29%
Manufacturing	68%	20%
Mineral Development	59%	2%
Digital Transformation	67%	0%
Sustainable Energy Development	54%	0%
Overall Compliance	**70%**	**53%**

Source: Certificate for Gender and Equity Responsiveness on NBFP FY2022/23 & 2023/24

2.5 Climate Change Responsiveness of the BFP

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

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

3.0 ECONOMIC AND BUDGET PERFORMANCE

3.1 Economic Performance

Economic Growth

Since the onset of COVID-19 pandemic, Uganda's economic growth trajectory declined from 6.4% in FY 2018/19 to 3.5% in FY 2020/21. However, the economy has been on a steady recovery from the negative effects of the pandemic following the full re-opening of the economy. The GDP growth rate has revamped to 4.7% in FY 2021/22 up from 3.5% in FY 2020/21 due to higher growth rates in industry and services sectors.

The services sector grew by 4.1% in FY 2021/22 from 2.8% registered in FY 2020/21 on account of strong growth in real estate activities. The industry sector expanded by 5.1% from 3.5% the previous fiscal year, due to robust growth in the manufacturing subsector. There was modest growth in the agriculture, forestry, and fishing sector to 4.4% from 4.3% the previous financial year on account of recovery in fishing activities which grew by 0.8% from -8.8% in FY 2020/21 and growth in livestock output by 8.3% from 7.8% in FY 2020/21.

In FY 2023/24, economic growth is expected to strengthen to 5.3%, supported by Government initiatives like the Parish Development Model and EMYOOGA; the pickup in oil sector construction activities; growth in regional trade; and a rebound in agricultural production owing to Government interventions into agricultural productivity. Over the medium term, economic growth is projected to average between 6% and 7%, driven by anticipated increase in productivity within agriculture and manufacturing sectors-supported.

Inflation

Annual headline inflation in November 2022 reduced to 10.6%, from 10.7% registered in October 2022. This was mainly driven by a reduction in annual inflation for energy, fuel & utilities.

For FY 2022/23 and 2023/24, annual headline inflation is projected to average at 8.3% and 7.2% respectively and is expected to reduce to the 5% target over the medium term.

Compared to our regional neighbours, annual headline inflation continued on an upward trend for Rwanda, increasing to 33.8% in November from 31.0% the previous month. This was mainly driven by a surge in the prices for food and non-alcoholic beverages. On the other hand, Kenya's annual headline inflation slightly declined to 9.5% in November from 9.6% in October, as fuel and food prices eased. Tanzania's inflation remained at 4.9%-the same rate recorded the previous month.

Interest Rates

The Commercial Bank's Shilling denominated lending rates increased to a weighted average of 18.42% in October 2022 from 18.24% in September 2022, attributed to a rise in the Central Bank Rate from 6.5% in April to 10% in November 2022.

Exchange Rate

The Ugandan Shilling appreciated by 1.6% percent against the US$ in November 2022, trading at an average rate of UShs 3,760.23/US$ compared to UShs 3,822.27/US$ in October 2022, as supply for the dollar outstripped its demand during the month. This recent appreciation was mainly due to higher export earnings and tourism receipts. However, on an annual basis, the US Dollar depreciated by 5.9% from UShs 3,551.52/US$ in November 2021 to UShs 3,760.23/US$ in November 2022.

Going forward, the shilling is expected to depreciate against the US Dollar due to the global strengthening of the US Dollar following the increase in the policy rate by the federal reserve of USA.

External Sector Developments

Uganda's current account deficit declined by 6.42 percent from US$ 3,837 million in FY 2020/21 to US$ 3,590.8 million in FY 2021/22. This development was largely on account of an increase in budget support grants and a pickup in tourism activity following the disruptions occasioned by the COVID-19 pandemic.

Uganda's trade deficit narrowed from US$ 4,941.8 million in FY 2020/21 to US$ 4.623.9 million in FY 2021/22. This was as a result of a reduction in the import bill. The decrease in the import bill was explained by a decline registered for government project imports, textiles & textile products as well as machinery equipment and vehicles & accessories during the year.

Just like the imports, there was a reduction in exports-mainly attributed to a significant decline in maize and tobacco receipts. The reduction in maize export quantities was explained by the restrictions imposed by the Kenyan government, citing high levels of aflatoxins in Uganda's maize Remittances to Uganda fell marginally by 1.8 percent from US$ 1,154.3 million in FY 2020/21 to US$ 1,133.9 million in FY 2021/22, as economies of migrant-hosting nations continued to recover from the effects of the COVID-19 pandemic.

The EAC remained the major destination of Uganda's exports accounting for 55.6% (USD 193.9 million) followed by European Union with a share of 17.7% (USD 61.8 million). Within EAC, 82.5% of our exports went to South Sudan, Democratic Republic of Congo, and Kenya.

FDI inflows on the other hand increased by 32.4 percent from US$ 920 million in FY2020/21 to US$ 1,218.4 million in FY 2021/22. This was largely attributed to the increased investments in the oil sector given the completion of the Final Investment Decision.

Employment

The National Labour Force Survey (NLFS) carried out in 2021 revealed that the working age population (14-64 years) was estimated at nearly 23 million of the total population with more females (52 percent) than males (48 percent). Among the working age population, 87 percent (20m) were working including other subsistence work. About 40.2 percent of the working population was in subsistence agricultural work an increase from 39.9 percent in UNHS 2019/20.

Public Debt

According to the NBFP, the stock of public debt increased from US$ 19.54 billion in June 2021 to US$ 20.99 billion (78,833.4 billion) in June 2022. As a share of GDP, public debt increased from 46.9% to 48.4% over the same period. This represents an increase of 7.4% compared to 27.45% the previous financial year. Public debt is projected to peak at 53.1 percent in June 2023.

However, according to the Auditor's general report on financial statements for FY2021/22, the reported total public debt as at 30th June 2022 stood at UGX 86.6 trillion of which Domestic Debt Stock was UGX 38.1 trillion and the External Debt Stock was valued at UGX 48.5 trillion. This is an increase of UGX 11.5 trillion equivalent to 15.31% when compared to the debt stock of UGX75.1 trillion reported as at 30th June 2021. Refer to the table below for details:

From the above analysis, it is clear that there has been a consistence increase in total debt as evidence by an increase of 109% in the five years from 2017/18 (UGX 41.4 tn) to UGX 86.6tn as at 30th June 2022. This trend in borrowing is characterized with higher domestic debt appetite that translates to crowding out the private sector from the credit market and consequently stifling private sector growth.

In addition it should be noted that the growth rate of debt accumulation has been growing at an exponential rate while the growth rate of revenue has been growing at a much lower rate. This may suggest that our ability to service our debt in the medium term is untenable.

The Committee recommends:

a) **Government reconciles the reported amount of Public Debt Stock;**

b) **Government should balance support for economic recovery and sustainable public debt, while reducing reliance on domestic borrowing to alleviate crowding out private sector financing. The reduced amount of expensive domestic borrowing and the prioritization of concessional financing over the medium term will help keep debt sustainable.**

Government Debt Stock

Financial Year Ended	Domestic Debt (UGX Tn.)	Foreign Debt (UGX Tn.)	Total (UGX Tn.)	% Change
Jun-22	38.1	48.5	86.6	15.31%
Jun-21	30.8	44.3	75.1	31.99%
Jun-20	18	38.2	56.2	23.43%
Jun-19	15.2	30.9	46.1	11.35%
Jun-18	13.1	28.4	41.5	

Source: Audited financial statements of Vote 130

3.2 FY2020/21 Budget Performance Highlights

Due to the unforeseen expenditure as a result of the Covid-19 pandemic, Fiscal operations during the year were constrained by revenue shortfalls that resulted into additional borrowing and reallocation within the budget. The overall fiscal balance was a deficit of UShs 11,973 billion, equivalent to 7.4 percent of GDP and this was higher than the 6.4 percent of GDP projected at budget time.

Table 7 below highlights a summary of the Fiscal operations for FY2021/22 and outturn for FY2020/21. During the Financial Year 2021/22 UShs 22,993 billion was realized in Revenue and Grants against a target of UShs 23,850 billion hence a shortfall of UShs 857.2 billion. Expenditure amounting to UShs 34,967 billion was utilized against a target of UShs 34,233 billion. Recurrent expenditure was UShs 21,324 billion against a target of UShs 18,967 billion and development expenditure was UShs 12,785 billion against a target of UShs 14,755 billion. This resulted in a fiscal deficit of UShs 11,973 billion, equivalent to 7.4 percent of GDP an increase of 1 percent from the target of 6.4 percent.

Table 7: Fiscal Operations for FY2021/22 (UGX Billion)

	Budget FY2021/22	Outturn FY2021/22
Revenue and Grants	**23,850.00**	**22,993.00**
Revenues	**22,425.00**	**21,831.00**
Tax Revenue	20,877.00	20,426.00
Non- tax revenue	1,548.00	1,406.00
Oil Revenue	-	-
Grants	**1,425.00**	**1,162.00**
Budget Support	76.00	108.00
Project Support	1,349.00	1,054.00
Expenditure and Lending	**34,233.00**	**34,967.00**
Current Expenditures	**18,967.00**	**21,324.00**
Wages and Salaries	5,529.00	5,628.00
Interest Payments	4,698.00	4,966.00
Domestic	3,468.00	4,163.00
External	1,230.00	803.00
Other Recurrent. Exp.	8,741.00	10,730.00
Development Expenditures	**14,755.00**	**12,785.00**
Domestic Dev't	7,997.00	8,141.00
External Dev't	6,758.00	4,644.00
Net lending/ Repayments	111.00	252.00
Domestic Arrears repayment	400.00	606.00
OVERALL FISCAL BALANCE	**- 10,383.00**	**-11,973.00**
Financing;	**10,383.00**	**11,973.00**
External Financing (Net)	**7,240.00**	**4,823.00**
Disbursements	9,027.00	6,539.00
Budget Support Loans	3,508.00	2,475.00
Project Support Loans	5,519.00	4,064.00
Amortization	- 1,787.00	- 1,715.83
Domestic Financing (Net)	**3,142.00**	**5,586.00**
Bank Financing	1,668.00	2,735.00

	Budget FY2021/22	Outturn FY2021/22
Non- Bank Financing	1,474.00	2,851.00
Errors and Omissions	-	**1,564.00**
Memo items		
Revenue % GDP	13.8%	13.5%
Expenditure % GDP	21.1%	21.6%
Fiscal deficit % GDP	-6.4%	-7.4%

Source: Macroeconomic and Fiscal Performance Report FY2021/22

Revenue performance for FY 2021/22

Cumulative collections (excluding grants) for the FY 2021/22 amounted to UShs. 21,831.18 billion Against a projection of UShs 22,425.37 billion registering a deficit of UShs. 594.19 billion. Revenue collections grew by 11 percent compared to FY 2020/21 as shown in the table 8 below.

PEM HEA

Table 8: Domestic Revenues for FY 2021/22

Billions of Shillings	Program-FY 2021/22	Oututrn -FY 2021/22	Performance	Annual Variance
Overall net revenue	**22,425.37**	**21,831.18**	**97%**	**(594.19)**
Net URA tax revenue	**20,876.95**	**20,425.63**	**98%**	**(451.31)**
Direct Domestic Taxes	**7,413.85**	**7,375.64**	**99%**	**(38.22)**
O/W PAYE	3,193.45	3,634.26	114%	440.81
Corporate Tax	1,747.42	1,635.86	94%	(111.56)
Presumptive Tax	37.96	7.46	20%	(30.50)
Withholding Tax	1,298.52	1,177.41	91%	(121.10)
Rental Income Tax	341.07	156.10	46%	(184.96)
Indirect Dmestic Taxes	**5,689.50**	**4,942.60**	**87%**	**(746.90)**
Excise duty:	**1,873.37**	**1,646.70**	**88%**	**(226.67)**
O/W Cigarettes	31.29	21.39	68%	(9.91)
Beer	371.47	324.84	87%	(46.62)
Spirits	187.05	122.92	66%	(64.13)
Soft drinks	186.18	176.02	95%	(10.17)
Mobile Money Transfers	125.07	133.98	107%	8.92
Bank Charges	124.19	101.75	82%	(22.43)
Levy on Mobile money withdrawals	112.36	164.58	146%	52.21
internet data	125.04	85.76	69%	(39.28)
Value Added Tax:	**3,816.13**	**3,295.90**	**86%**	**(520.23)**
O/W Manufacturing	**2,231.69**	**1,900.48**	**85%**	**(331.21)**
Services	**628.33**	**649.86**	**103%**	**21.54**
Construction	194.92	108.25	56%	(86.67)
Taxes on International Trade	**8,140.49**	**8,434.17**	**104%**	**293.69**
O/w Petroleum duty	2,617.25	2,686.27	103%	69.02
Import duty	1,676.49	1,557.06	93%	(119.43)
Excise duty	261.05	268.69	103%	7.64
VAT on Imports	2,850.70	3,291.64	115%	440.93
Withholding Taxes	201.23	167.78	83%	(33.45)
Tax Refunds:	**(439.11)**	**(440.05)**	**100%**	**(0.95)**
Stamp duty & Embossing Fees	**72.22**	**113.28**	**157%**	**41.07**
Total NTR	**1,548.42**	**1,405.55**	**91%**	**(142.87)**

Source: MFPED and PBO Computations

Expenditure Performance for FY2021/22

At an aggregate level Ushs. 23,965.78 billion of the GoU budget was released by the end of June 2021. This represented 107.6% of the approved budget. Aggregate absorption (measured by expenditure as a proportion of releases) was 97.3 % (see table 9 for details).

The high release was on account of supplementary expenditure which included Ushs 430.30 billion for various central and local government votes to undertake COVID 19 operations to mitigate the spread, Ushs 184.82 billion for the rehabilitation of the Malaba-Kampala Railway Line under MoWT, among others.

Table 9: Expenditure performance for FY2021/22 (Excl. domestic refinancing, external amortization and interest payments)

	Outturn 2020/21	Approved Budget (Shs Bn) 2021/22	Released (Shs Bn)	Spent (Shs Bn)	Release Perf (%)	Absorption (%)
Recurrent-Wage	5,180.00	5,533.06	5,692.01	5,513.24	102.9%	96.9%
Recurrent-Non-wage	9,325.00	8,740.76	10,307.05	9,950.96	117.9%	96.5%
Development- GoU	9,682.00	7,997.15	7,966.72	7,647.38	99.6%	98.5%
Development-External	5,479.00	6,868.25	4,785.65	3,338.45	69.7%	69.8%
GoU Total	**24,187.00**	**22,270.97**	**23,965.78**	**23,311.59**	107.6%	97.3%
GoU Total + Ext. Fin	**29,666.00**	**29,139.22**	**28,751.43**	**26,650.04**	98.7%	92.7%
Arrears	844.00	555.44	666.99	663.87	120.1%	99.5%
Total Budget	**30,510.00**	**29,694.66**	**29418.43**	**27,313.91**	99.1%	92.8%
A.I.A Total	0	212.38	193.57	193.57	91.1%	100%
Grand Total	**30,510.00**	**29,907.05**	**29,612.00**	**27,507.48**	99.0%	92.9%

Source: Annual Budget performance report FY2021/22

4.0 ECONOMIC & BUDGET STRATEGY FOR FY2023/24

4.1 Economic & Budget Strategy

The theme of the National Budget Framework Paper for FY2023/24 is *"Full Monetization of the Ugandan Economy through Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access".*

The Economic and budget Strategy in the short to medium term has the following objectives of restoring economic activity to pre-pandemic levels, (i) building a self-sustaining economy to withstand future shocks, and (ii) harness resources for inclusive economic growth.

These are to be attained while maintaining a stable macroeconomic environment. Economic recovery will be achieved by boosting aggregate demand by restoring domestic consumption, renewing private and public investment, and enhancing export promotion. A self-sustaining economy will be achieved by; undertaking evidence-based actions for policy implementation; allowing market based economic dynamics and close coordination between fiscal and monetary policies; augmenting investment in the Parish Revolving Fund (PRF) to avail liquid capital to the vulnerable households without collateral to access credit in the financial market and implementing reforms geared towards strengthening Public Investment Management Systems.

4.2 Resource Envelope for FY2023/24

The preliminary resource envelope for FY 2023/2024 is projected at Ushs. 49,988.7 billion, compared to Ushs. 48,130.7 billion for FY 2022/2023. This reflects an increase by Ushs. 1,858.0 billion. It should however be noted that, whereas the resource envelope has increased by Shs 1,858.0 billion, the discretionary resource envelope reduced by Shs 2,533 billion due to the projected increase in the interest obligations and obligation to settle Bank of Uganda borrowing.

In regards to aggregate expenditure composition for the FY2023/24 indicative budget, 64.1% of total expenditure is to cater for recurrent expenditures while only 35.9% of total expenditure is to cater for development expenditures. It should also be noted that debt related payments (including domestic arrears) represents 37.7% of total expenditure projections for the FY2023/24. (See table 10 for details)

The proposed resource prioritisation is very worrying and could indicate that our fiscal operations may not be sustainable in the long run; as debt related payments continue to take the largest share of the budget.

Table 10: Summary of the Projected Resource Envelope for FY2022/23 (UGX Billion)

S/N	Source	FY2022/23	FY2023/24	Variance
1	Domestic Revenues	25,550.8	28,831.1	3,280.2
	o/w Tax Revenue	23,755	26,810	3,055
2	Petroleum Fund	-	-	-
3	Budget Support	2,609.2	2,491.6	(117.6)
4	Domestic Financing (Domestic Borrowing)	5,007.9	1,585.0	(3,422.9)
5	Project Support (External Financing)	6,716.2	8,043.6	1,327.4
6	Domestic Refinancing (Roll-over)	8,008.0	8,798.9	790.9
7	Local Revenue for Local Government	238.5	238.5	-
	Total Resource Inflows (1+2+3+4+5+6+7)	**48,130.7**	**49,988.7**	**1,858.**
8	External Debt Repayments (Amortization)	*(2,412.3)*	*(2,453.2)*	(41.0)
9	Project Support (External Financing)	(6,716.2)	(8,043.6)	(1,327.4)
10	Domestic Refinancing (Roll-over)	(8,008.0)	(8,798.9)	(790.9)
11	Domestic Arrears	(661.90)	(200.00)	461.9
12	Appropriation in Aid(AIA)-Local Revenue	(238.50)	(238.50)	-

S/N	Source	FY2022/23	FY2023/24	Variance
13	**Resource Envelope Less External Debt Repayments, Project Support, Domestic Refinancing, Arrears and AIA**	**30,093.84**	**30,254.48**	**160.6**
14	Interest Payments	(4,691.9)	(6,135.5)	(1,443.6)
15	Less Domestic Debt Payment (BoU)	-	(1,250.7)	(1,250.7)
16	**Discretionary Resources (MTEF less Interest Payments)**	**25,401.9**	**22,868.3**	**(2,533.7)**
	Memo Items			
	Nominal GDP at market prices (Billions)	184,254	208,356	24,102
	Domestic Revenue (Incl. LG AIA) as % of GDP	13.99%	13.95%	-0.04%
	Domestic Revenue as % of Total Resources	53.58%	58.15%	4.57%
	Tax Revenue as % of GDP	12.89%	12.87%	-0.02%
	Domestic Borrowing as % of GDP	7.06%	4.98%	-2.08%
	Domestic Borrowing as % of Total Resources	27.04%	20.77%	-6.27%

Source: NBFP 2023/24 & PBO Computations

Table 11: Summary of the aggregate expenditure composition FY2023/24 (UGX Billion)

	Approved Budget 2022/23	2023/24 Proj. Budget	As % of Approved Budget 2022/23	As % of Proj. Budget 2023/24	Percentage Annual Change
:urrent expenditures	**33,564.7**	**32,059.8**	**69.7%**	**64.1%**	**-4.5%**
√ages and salaries	6,363.0	6,426.0	13.2%	12.9%	1.0%
ıterest payments and commitment ɛes	4,691.9	6,135.5	9.7%	12.3%	30.8%
:xternal Debt Payments \mortization)	2,412.3	2,453.2	5.0%	4.9%	1.7%
)omestic Refinancing (Roll-over)	8,008.1	8,798.9	16.6%	17.6%	9.9%
)omestic Debt Payment (BoU)	-	1,250.7	0.0%	2.5%	125,070%
.IA - LG	238.5	238.5	0.5%	0.5%	0.0%
)omestic Arrears	661.9	200.0	1.4%	0.4%	-69.8%
)ther current spending	11,189.0	6,557.0	23.2%	13.1%	-41.4%
)evelopment expenditures	**14,566.0**	**17,928.9**	**30.3%**	**35.9%**	**23.1%**
:xternal	6,716.2	8,043.6	14.0%	16.1%	19.8%
)omestic	7,849.8	9,885.3	16.3%	19.8%	25.9%
'OTAL EXPENDITURE	**48,130.7**	**49,988.7**	**100.0%**	**100.0%**	**3.9%**

Source: NBFP 2023/24 & PBO Computations

5.0 POLICY OBSERVATIONS AND RECOMMENDATIONS

Poverty and Inequality

Poverty and inequality remain critical development challenges for the country. Whereas the proportion of people living on less than a dollar per day marginally improved to 20.3 percent in FY20219/20 from 21.4 percent in FY2016/17 (UNHS, 2019/20) and 41.8 percent of the population was living below the international poverty line of USD 1.9 in FY2019/20, the incidence in income poverty increased during the covid-19 from 19 percent pre-pandemic to 22 percent during the pandemic implying that a significant part of the population remains vulnerable.

The Committee recommends that there is a need to strike a balance between infrastructure and human capital development as well as re-engage development partners especially under the programme of human capital development. Investments in social sectors especially health, education and social protection have a direct impact on poverty and income inequality.

Public Investment Management (PIM)

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

However, the Committee observes that project delays are still a challenge, in particular for externally-funded projects. Over the last six years externally financed projects have spent only 44 percent of their allocated budgets over the same period, with delays in the acquisition of right of way such as land and compensation and/or resettlement for project affected persons; procurement delays which in turn affect project implementation, increase in direct costs of non-performing projects including commitment fees, insufficient real time monitoring of projects, poor sequencing of projects, insufficient feasibility and appraisal studies of projects, cited as the main reasons for under execution. These trends are prevalent in the energy, public works and transport sectors which are the main expenditure drivers in the development budget.

The Committee reiterates some of its earlier recommendations that:

a) **There is need to undertake project due diligence through rigorous feasibility assessments to gauge the viability of the project. This will ensure that projects are well-structured, commercially viable and will provide value for money.**
b) **Government undertakes real time monitoring of development projects and bi-annual monitoring reports are presented to Parliament to enhance oversight of project implementation;**
c) **Government develops a comprehensive legal framework on PIM;**
d) **Government fast tracks the development of a policy on the acquisition of the Right of Way and corridors for the development of infrastructure to ease planning and avoid delays in infrastructure development;**
e) **Government sequences projects, with priority given to those generating a bigger growth dividend.**
f) **Funding/releases to projects whose implementation are off-track should be suspended and the responsible officers apprehended.**
g) **There is need to further review Governments' entire Project Portfolio, in order to assess the projects which should exit the Project Investment Plan (PIP). Projects that are not performing should be stopped so that funds can be released for emerging priorities in the minerals sector, manufacturing sector, tourism sector, development of industrial park infrastructure, petroleum sector, among others.**

NDP III Core Projects

The NDPIII growth was assumed partly to be driven by public investments especially in the 69 core projects and other attendant projects. As at March 2022 out of the 69 core projects, only 33 projects (48 percent) were under implementation with only 4 projects (6percent) on schedule while 29 (42 percent) were behind schedule. Some of the projects that are behind schedule include: the oil refinery; the East African Crude Oil Pipeline (EACOP); standard gauge railway; rehabilitation of the meter gauge railway; and a number of road infrastructure projects such as the Kibuye- Busega-Mpigi Highway, Kampala-Jinja Express Highway among others.

In addition, while the NDP III envisages 27 core projects to be implemented through Private Public Partnerships (PPPs), only two projects Kampala-Jinja Express Highway at procurement stage and Coffee value chain development project (Rehabilitation of old coffee trees-70%, Washing Station, and Soluble Coffee Plant) at concept approved stage have so far been adopted under the PPP framework.

The critical challenge in execution of these core projects is the lack of adequate funds.

The Committee recommends:

a) **There is a critical need to scale up revenue mobilization to fund these core projects;**

b) **In order to benefit from PPP financing given its complexity there is need to enhance skills development in project finance, legal provisions for contracts, and contract monitoring based on outcomes. PPPs organized by communities should also be encouraged by Government.**

c) **Government should start exploring other options to finance large infrastructure projects. Government should consider alternative financing models. These include issuing long-term Infrastructure Bonds. Government should also mobilize large surplus institutions to finance infrastructure projects, such as pension funds, particularly the National Social Security Fund (NSSF).**

NDPIII Overall Implementation Framework

The Committee observes that the NDPIII lacks an overall implementation framework. The NDPIII is implemented through the Program Implementation Action Plans (PIAP). The PIAPs focus on the implementation of a particular program. The overall implementation framework of the NDPIII was not provided. Hence there is no guidance on phasing and sequencing of implementation, and the interconnectedness of programs.

The Committee recommends that, through the ongoing reprioritization process, developing an implementation framework for the entire plan should be a priority.

Resource Mobilization

The Committee observes that, the past two years of the NDPIII revenue to GDP has averaged at 13.3 percent.The ratio of tax to GDP reduced to 11.4 percent in FY2021/22 from 11.99 percent in the FY2020/21, which was below the NDP III's target of 12.3percent for the period. Revenue mobilization efforts have characteristically been hindered by lack of National Tax Policy that would form the basis for tax legislation and administration; large informal sector, inadequate implementation of the DRMS, tax arrears and tax exemptions, among others.

The contribution of tax revenues to the total budget has also continued to decline now projected at 58 percent (FY2023/24 projection) pushing government to costly borrowing either domestically or externally. It is estimated that the potential revenue collection is between 16-18% of GDP highlighting a significant gap to be covered in revenue collection. In addition, compared to the neighboring countries in the region, Uganda's revenue collection effort remains low.

Of the 26 Domestic Revenue Mobilization Strategy (DRMS) interventions tracked, twenty seven (27%) registered good performance, nine fair (35%), and 10 poor (38%). Some challenges are also noted including: (i) Non-implementation of strategic DRMS interventions; (ii) inadequate specialised training conducted by Tax Policy Department (TPD) and URA staff; (iii) low technical staffing levels at both TPD and URA, and; (iv) limited access to necessary data by the TPD and URA.

In addition, the wide range of exemptions and deductions granted to investors, has resulted into lower tax revenue. Overall, these incentives result in substantial amounts of lost revenue, estimated to be 1.56% of GDP in FY 2021/22 (i.e. UShs. 2,478.1 billion), and yet their effectiveness in attracting new, productive investment is still ambiguous. Over the past six financial years, the value of revenue foregone due to tax exemptions has increased from around 0.87% of GDP in FY 2016/17 to 1.56% of GDP in FY 2021/22, an increase of around 79%. The revenue forgone notwithstanding, James& Sebastian (2014) found that 93% of investors would have taken their activities in Uganda even if tax incentives had not been provided.

The Committee recommends that:

a) **Fast track the implementation of the DRMS and develop an effective Implementation Action Plan for the effective operationalization of the DRMS; this should include establishing policies to formalise the informal sector.**
b) **Develop a National Tax Policy that would form the basis for effective tax legislation and tax administration as currently there is none.**
c) **Implement a coordinated approach to revenue mobilization across Government Ministries, Departments and Agencies to improve revenue mobilization efforts;**
d) **Wider consultations on tax policy design should be prioritized prior to drafting tax policies into laws and to avoid tax policy reversals. Further studies will have to be instituted by the MFPED to assess the effectiveness, efficiency and impact of the tax exemptions in greater detail. A comprehensive assessment of the beneficiary companies in terms of their economic contribution should be undertaken as required by Section 77 of the PFMA, 2015.**

The Programme Based Budgeting Reform

Progress towards adaption to programmatic approach to budgeting is still deficient.The programme approach was aimed at enhancing synergies and reducing "silo" approach to planning, budgeting and implementation across government. By reducing the silo approach, the programme approach aims to reduce duplication and wastage of resources. However, the effective implementation of the programme approach has been undermined due to the following:

a) Some programme secretariats are still not fully functional while those that are functional are not well resourced both financially and technically. This has constrained the key programme activities like planning, coordination, implementation and monitoring.

b) To fast track coordination of implementation of the 20 programmes, 20 M&E specialists and coordinators were not recruited as planned. This has translated to a slow start to the implementation of the NDPIII.

c) Only four (4) programmes out of twenty (20) have undertaken annual programme reviews, these are: Integrated Transport and Infrastructure Services, Development Plan Implementation, Private Sector Development, and Tourism Development. The failure to undertake annual reviews results into failure to assess the programme performance.

d) Programme Based System (PBS) has not fully transited to the NDPIII programme approach. Whereas the Budget Call Circular for FY2022/23 indicates that the development of new budget outputs and coding process in the PBS and IFMIS was finalised, the MTR indicates that this process happened (through restructuring the Chart of Accounts) but was never operationalized in the budgeting systems and consequently, there is still misalignment in the PFM system and NDPIII results.

e) NPA has not fully consolidated its role as an 'authority' to enforce sufficient guidance to MDAs and districts in the alignment of plans and budget framework papers (BFPs) to the NDP. The situation was further aggravated by the absence of LLG, LG, MDA, Regional, Sub-Programme and Programme development plans to inform the programme approach.

f) There is no data system at the Local Government level. Community Information System (CIS) was introduced by UBOS and NPA as a household based statistical register aimed at measuring economic progress and other population related dynamics among households. However, CIS is non-functional and LGs have no means to generate data and provide evidenced based decisions.

g) The M&E function is a non-funded activity and always taken as recurrent thus prone to budget cuts. Proposals to establish M&E cadres and statisticians in all planning units is yet to be implemented.

The Committee recommends:

a) **Fast track the full implementation of the Programme approach including, among others, finalization of the upgrade of the PBS system, shifting MTEF resource allocation be done by Programmes and strengthening the Programme secretariats so as to improve its effectiveness and increase its associated benefits. Program secretariats should be at the center of allocating resources within their programs.**

b) **Fully strengthen programme secretariats both technically and financially; and which are resourced annually through the budget.**

c) **NPA spearheads production of regional plans in line with the regional divisions. The Authority should also consider establishing regional offices to support routine implementation planning.**

d) **To enhance budget efficiency there is an urgent need to introduce annual program spending reviews (expenditure tracking) prior to the budget process. These reviews should be used as partly the basis for prioritizing resources in allocation of resources. Without spending review, the risk is that programs which are ineffective, low-priority or which have outlived their usefulness will continue to draw on public resources.**

e) **Strengthening functionality of the M&E and statistical units within the Planning departments.**

Supplementary Budgets

The Committee observes that frequent supplementary budgets continue to undermine planning and budgeting processes. The number of supplementary requests have continued to increase from 177 in the FY 2017/18 to 1,011 in the FY 2019/20 and leaped to 1,322 by first half of the FY 2021/22. Total supplementary expenditure by the central government increased from 1,682.81bn in the FY 2017/18 to Shs. 4,270.48Bn in the FY 2021/22. The MTR also noted that 75 percent of supplementary expenditures were predictable and could have been planned for in the budget. This points to the fact that there is a missing link between planning and budget processes. In addition, 91% of supplementary expenditures have been financed by mainly suppressing MDA expenditures. This undermines the spirit of planning and budgeting.

The Committee recommends adherence to the PFM act especially by properly planning for predictable expenditures with a view to contain supplementary budgets within 3 percent of the total budget.

Domestic Arrears

Domestic arrears in Uganda has been a perpetual challenge, to which Government has over the years put in place several measures to address the problem. These include:

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

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

However, by the end of 2021, the Office of the Auditor General Report reported a further increase in the stock of domestic arrears to UGX 4.65 trillion. The rise in arrears has been mainly attributed to fiscal indiscipline, poor financial management and weak system controls (MoFPED, 2021). In addition, arrears pose a reputational risk to Government and serious constrains the private sector.

The committee therefore recommends that Government sets aside adequate resources in the domestic arrears budget to clear the current stock of domestic arrears over the medium term. The current UShs 200bn is inadequate to substantially reduce the stock of domestic arrears.

Agro-industrialization

Significant improvements have been made in agricultural sub-sector as evidenced by its increasing contribution to GDP and exports.However, the sub-sector is still characterized by; households still dependent on

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subsistence agriculture dominated by small-holder farmers holding on average 2.5 acres each, low labour productivity in the agro-industrial value chain; poor market access (mainly regional and international markets); low value addition (for instance over 95 percent of coffee is exported as raw unprocessed beans); limited access to agricultural financial services and other critical inputs.

Cabinet approved the Agricultural Value Chain Development Strategy 2021-2026 which prioritizes the Parish Development Model Pillar 1 (Production, Storage, Processing and Marketing). The strategy is anchored on market potential facilitated by proper agronomic practices through the agriculture extension service delivery and the use of the nucleus farmer model. This strategy purely emphasizes the value chain approach from the production and productivity level, postharvest handling and primary processing level, secondary to the tertiary processing level.

However, access to extension services by farmers is low and on a declining trend from 51% in 2018 to 44% in 2020 mainly due to the inadequate number of extension workers recruited by the Government. By June 2022, the extension workers/staff filled at the national level was at 4031 (43.7%) compared to the approved staffing number of 9,275leaving a gap of 5,220 (56.3%).

In addition, there has been limited progress in value addition in the agriculture sector during the first two years of NDPIII. The value of production for agro-processing industries has not shown any marked increase as a result of the interventions under this large programme.

The Committee recommends:

a) **Government prioritizes effective implementation of Pillar 1 (Production, Storage, Processing and Marketing) of the Parish Development Model.**

b) **Government prioritizes access to extension services by recruiting and training more extension workers;**

c) **For agro-industrialization to be realized, there is need to holistically champion this strategy through large scale programs such as the Parish Development Model, private sector development programs centred on production zones and setting up conducive environment for private sector participation.**

d) **Government promotes the enabling laws on use of bio fuels. By Establishment of large bio fuels industry aimed at mixing ethanol with oil would create an enormous market for agriculture products**

such as maize and cassava. In addition, this will stabilize prices for petroleum products as well as enhancing the incomes of households engaged in maize, sugar cane and cassava value chains. At the moment, maize and cassava produced have no large-scale industrial demand apart for domestic consumption and regional exports in raw form with minimal processing.

Effectiveness of Industrialization Strategy

The Committee observes that structural transformation of the economy driven by industrialization has not yet been realized. The contribution of the industrial sector in total GDP has not fundamentally changed, averaging 26.8 percent in 2020/21-2021/22.The ratio of manufactured exports to total exports stagnated at 13.5 percent for the first two years of the NDPIII. This performance is however below the plan's target of 14.9 percent by end of the second year.The industrial sector is currently dominated by small and medium enterprises (SMEs), which makes 93.5% of firms operating in the sector.

The Committee also observes that there is no progress towards mineral beneficiation and manufacturing. Apart from Gold, there is limited value addition on minerals. Minerals that can have a profound effect on the fortunes of the country include: oil and gas, iron ore as well as phosphates. Iron ore processing has been hampered by lack of a champion either from the Government (e.g. through UDC) or private sector developers. Phosphates beneficiation in Sukulu was hampered by the developer running out of funds and abandoning the project.

While semblance of light manufacturing is taking place, this is still far from making an impact and creating jobs at a large scale. The recent disruptions in supply chains and escalating costs of these raw materials have constrained production in these industries.

Attracting private investments continues to be encumbered by the country's low competitiveness, high cost of domestic capital and lack of requisite skills. The few projects that have been championed by UDC have had mixed progress and their impact considered to be patchy on the structural transformation of Uganda. To-date there are 13 operational projects where government has participated directly and the rest are projects in the pipeline under UDC. Initiatives where government is spending resources are also too small in nature to have any meaningful impact on the transformative agenda of Uganda. Others like in the hospitality industry have limited backward linkages to benefit the larger population and enhance inclusive growth.

The Committee recommends:

a) **There should be deliberate effort by government to fast track the industrialization agenda through establishment of specialized financial institutions targeting small and large-scale industries.**

b) **Development of industrial parks should be at the center of promoting industrialization for the remaining period of NDPIII.**

c) **Government must consider embarking on at least 2-3 large industrial projects in the medium term. Examples of transformative projects where government should have a direct role for the remaining period of NDPIII are: (i) the Iron and Steel for Muko Iron-Ore and other related industries with the objective of setting up an iron and steel based industrial ecosystem for the country—this will result into a spinoff of steel-based industries in the region and absorb the increasing numbers of job seekers; (ii) Government should remain firm on the development of the Oil refinery and also consider investing in the petrochemical industry during the remaining period of the NDPIII. Beyond the oil pipeline—a complete ecosystem of the oil and gas industry should be explored with direct interest on part of government. The petrochemicals industry if properly natured would have a profound effect on sectors such as plastics through production of ethylene and associated products which are currently imported. The refinery will have large spill over effects with huge multipliers on other products such as fertilizers and pharmaceutical industries within the region. This would hugely impact positively Uganda's balance of payments position.**

d) **Basing on plans to develop industrial ecosystems around iron ore, oil and gas and phosphates, there is need to continue investing strategically in electricity power generation. To minimize the cost of transmission and distribution of power, industrial clusters should be strategically located in consideration of raw material (e.g. iron ore, oil and gas and phosphates).**

e) **For light manufacturing to effectively take place, there is a need to review the tax laws that apply to similar products that can be imported at cheaper cost given the lower cost of production in import countries.**

f) **Government should strike a balance between its quest for revenue collection and the need to generate employment for its citizens if light manufacturing is to effectively take place.**

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Human Capital Development Strategy

Government has made significant gains in the health sector as evidenced by the declining infant and under-five mortality and the increasing life expectancy, expanded hospital capacity through the recruitment of additional staff , expanding High Dependency Units (HDU) and Intensive Care Units (ICUs), increasing the number of standard hospital beds, among others.

In regards to skills development, significant gains have been registered in Primary and Secondary School enrollment and literacy levels, infrastructure development of BVET institutions, among others.

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

Insufficient funding to the health and education sectors has culminated to inadequate medical supplies and equipment in health facilities, inadequate medical personnel in health facilities, poor welfare and morale of medical personnel, insufficient numbers of teachers and classrooms, inadequate availability of learning materials and other supplies, low student retention levels, high levels of teacher absenteeism due to low salaries, and dwindling number of health workers to patient ratio now at 19/1000. This is manifested in congestion in health facilities especially referral hospitals. This is compounded by the high demand and externalization of labor and the country loosing highly skilled medical personnel.

According to the MTR by NPA as at 2021/22, life expectancy at birth was 63.3 years below the target of 64.6 years in FY2020/21. The Infant Mortality Rate/1000 was 43 against the FY 2020/21 target of 41.2. Maternal Mortality Ratio/100,000 was 336 against the target of 311 for FY2020/21. The Neonatal Mortality Rate (per 1,000) was 27 against the FY target of 24. The Total Fertility Rate and U5 Mortality Ratio/1000 were 5.4 and 64, respectively (Statistical Abstract, 2020). This was against the respective targets of 5 and 42 for FY2020/21. The proportion of stunted children U5 was 29% against the target of 27 for the FY.

The primary to secondary school transition rate was 61 percent against the target of 65. The survival rate for primary was 34.2 percent against the target of 40 percent for the FY2020/21. The quality adjusted years of schooling was estimated at 4.5 against the FY target of 4.6. The literacy rate was 73.5 percent against the target of 74.1percent for the FY.

The Committee recommends:

a) **There is a need to devote more resources to education and health care to build a more resilient and healthier labour force. As some infrastructure projects wind-up, more focus should be put on human capital development to support the industrialization process. More resources are required for recruitment of both primary and secondary school teachers and health workers.**

b) **Need to provide physical infrastructure to particularly lagging primary, secondary, TVET institutions and universities;**

c) **Prioritise rehabilitation, expansion and equipping of HC IIIs, HC IVs, General Hospitals, referral hospitals and specialised care facilities**

d) **Rehabilitate dilapidated structures for rehabilitation of vulnerable groups including children, youth and persons with disabilities.**

e) **Strengthening the current inspection system by completing the roll out of the Teacher Effectiveness and Learners Achievement (TELA) system to improve education quality in the country and e-inspection systems.**

f) **Expedite the health insurance bill. The key fundamentals for the health insurance scheme include: (i) being mandatory for all; (ii) contribution by all irrespective of income status; and, (iii) coverage will only be for basic services.**

Strengthening the private sector to drive growth and investment

The private sector in Uganda is mostly comprised of Micro Small and Medium Enterprises (MSMEs) which collectively constitute approximately 90% of private sector production and employ over 2.5 million people. The Cost of doing Business remains high. Some of the factors attributed to the high cost of doing business in Uganda include; persistently high lending rates (partly due to increased domestic borrowing by Government), risk aversion by banks due to the poor performance of many businesses, high energy tariffs, bureaucratic business registration processes, inadequate skilled labour force, limited knowledge of business formalization procedures, and high transport related costs among others.

The Committee recommends:

a) **Government reduces its appetite for domestic borrowing and increases access to long-term finance, through among other measures deepening capital markets to widen investment opportunities in the capital markets, promoting retirement benefits,**

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and further capitalization of development finance institutions like the Uganda Development Bank.

b) **Government expedites the implementation of the existing local content policy, and other related legal and institutional framework, building capacity of local providers to compete favorably in public procurement and enforcing the Implementation of the Guidelines on Preference and Reservation Schemes.**

Stock and quality of productive infrastructure

The Committee observed that at end of FY2020/21, the Energy Generation Capacity was reported at 1,254.2 megawatts indicating a below NDPII target performance. The percentage of households with access to electricity increased to 28 percent in FY2020/21 from 23 percent in FY2017/18 although far below the NDP III target of 40 percent. Internet penetration rate (internet users per 100 people) was 46 percent above the NDP III target of 30 percent.

The proportion of paved roads to total national road network increased from 21.1 percent in FY 2017/18 to 33 percent inFY2020/21. The percentage of roads in fair to good condition increased to 69 percent in FY 2020/21 from 67 percent in FY 2019/20. On the other hand, the freight transportation cost from Mombasa to Kampala by road increased to 1.88USD per ton per km in 2019/20, as compared to 1.79USD per ton per km in the previous year 2018/19.

Digital Transformation

Internet and mobile telephone penetration still remain low in Uganda in comparison to Kenya with 122 percent internet penetration and 133 percent mobile penetration, Rwanda with 64.4 percent internet penetration and 84.2 percent mobile penetration, and Tanzania with 50 percent internet penetration and 91percent mobile penetration. Internet penetration rate (internet users per 100 people) was 46 percent above the NDP III target of 30 percent in the FY2020/21.

In this regard, the Committee recommends:

a) **The last mile connectivity should be prioritized. The rollout in districts should be extended to cover the last inch (departments and units)**
b) **Recruit ICT officers at LG level to support the digitalization efforts**
c) **Government needs to set a policy that positions Uganda Institute of Information & Communication Technology (UICT) as the preferred**

trainer for all MDAs and LGs that require ICT related training courses.

Parish Development Model

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

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

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

Progress has been registered under the PDM which include; ward/parish PDM SACCOS have been formed, there has been a restoration and formation of PDCs and community members have formed some enterprise groups.

However, there are still numerous PDM implementation challenges, these include:

i) Many PDM structures and enterprise were formed hurriedly with little time for critical analysis. For instance, some parishes came up with over 10 enterprises since it became too difficult to arrive at a consensus. This reflects lack of understanding of the guidance on enterprise selection but also on the inadequacy of the guidelines to take care of the varied community interests.
ii) Information on the PDM to the public is so much distorted and guidelines keep changing too frequently, confusing the LG leaders, community leaders and targeted beneficiaries.
iii) Limited pillars of the PDM being rolled out. Main pillars of the PDM that have so far been rolled out to Parishes/Wards are: community mobilization and mind-set change (84.5%), Financial Inclusion (82.8%)

and Parish-Based Management Information System (77.6%). This leaves governance and administration which is the foundation of effective implementation poor implemented.

iv) Limited capacity to effectively implement PDM at the parish level. Most parish chiefs have been recently recruited and deployed. A number of them have limited capacity to manage people and programmes. They require serious orientation and training to effectively coordinate the PDM pillars effectively.

v) 84.5% of local government reported lack of funds for operations of the Parish Development Committee and the Parish Chief as one of the challenges. This is more critical because at the parish level, traditionally, there is no resources allocated for operations of the Parish Chief (PC) and Parish Development Communities (PDCs).

vi) Parishes/wards are *not homogeneous*, but are complex with peculiar development concerns and challenges. For this reason, their levels of preparedness are different as well. The one size fits all currently being popularized does not offer appropriate solutions to some parishes, especially urban based communities, who are forced to take on urban agriculture when most of the beneficiaries are involved in survival non-farm businesses.

The Committee recommends:

a) **The PDM secretariat will need to be empowered with enough human and financial resources and mandate to be the one to speak for government on the PDM. All other communications from the MDAs on the PDM should be coordinated by the secretariat to avoid inconsistence of messages to the public.**

b) **The national secretariat should continuously create awareness to stakeholders about their roles.**

c) **The LGs will need to provide continuous capacity building on management of associations, financial literacy for both the parish chiefs, PDCs, SACCOs and enterprise groups, integrating mindset change in business advisory service delivery and extension services to agricultural producers.**

d) **The PDM should envision innovative and case by case development solutions for the parishes. In this way, we shall have interventions that deal with real issues that are adaptable to local conditions and circumstances.**

e) **For the full implementation of the Parish Development Model, government should integrate and main stream the PDM in all MDA strategic plans, budgets and work plans.**

PART TWO:

7.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON VOTE PLANS AND EXPENDITURES

7.1 COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS

7.1.1 Ministry of Justice and Constitutional Affairs

Salary Enhancement

The Committee observed a salary discrepancy between State Attorneys in the Office of the Director of Public Prosecution (ODPP), Magistrates and Judges in the Judiciary compared to State Attorneys in the Ministry of Justice and Constitutional Affairs. Salary discrepancy could lead to staff exodus to the other better remunerated institutions leaving huge gaps in the Ministry.

The Committee recommends that UGX 5.26 billion be provided to the Ministry of Justice and Constitutional Affairs to enhance staff salary to a similar level of its counterparts in Judiciary and ODPP.

Cattle compensation to War Debt Claimants

Government agreed to compensate War Debt Claimants in Teso, Acholi and Lango sub-regions for the loss of livestock and other properties during the insurgency in Northern Uganda.

The Committee commends Government for releasing UGX 50 billion during FY 2021/22 for compensation of War Debt Claimants. Parliament appropriated UGX 30 billion to compensate War Debt Claimants during FY 2022/23 but no funds have been released to date. In addition, only UGX 30 billion has been provided for compensation during FY 2023/24 leaving an outstanding bill of UGX 297.53 billion to compensate the 19,487 verified and validated claimants.

The Committee recommends that the entire outstanding bill be settled across two financial years of 2023/24 and 2024/25 as commitment made by H.E the President of Uganda during the launch of the compensation exercise on 26th March 2022.

7.1.2 INSPECTORATE OF GOVERNMENT

Construction of IG Head Office Building

The Committee notes that Inspectorate requires funding to complete the construction of the Head Office building by June 2024. Two extensions of this project has already been granted and it is unlikely that a third extension will be granted. Completion of the Head Office requires an additional UGX 40.85 billion without furnishing.

The Committee recommends that an additional UGX 40.85 billion be provided to the development budget of the IG to complete the construction of the Head Office by June 2024

7.1.3 PARLIAMENTARY COMMISSION

Non-Wage recurrent shortfall

Article 79 of the Constitution gives powers to Parliament to carry out oversight, legislation and representation functions. The Parliamentary Commission is projecting a non-wage recurrent shortfall of UGX 76.25 billion meant for legislative, oversight and representation function. This if not addressed will impede timely responsive oversight, legislation and the representation function.

The Committee therefore recommends an additional amount of UGX. 76.25 billion to cater for the projected non-wage current shortfall.

Wage shortfall

The committee noted that the Parliamentary Commission experienced a shortfall of UGX 8.79 billion for Members of Parliament and Staff.

The Committee recommends an additional amount of UGX.8.79 billion be provided to Parliamentary Commission to cater for wage shortfall for MPs and staff.

Development Budget shortfall

The committee noted that the Parliamentary Commission experienced a shortfall of UGX 107.65 billion for construction of the Chambers, procurement of vehicles and upgrade of the ICT infrastructure.

The Committee recommends an additional amount of UGX 107.65 billion, be provided to Parliamentary Commission to cater for construction of the Chambers, procurement of vehicles and upgrade of the ICT infrastructure

7.1.4 ELECTORAL COMMISSION (EC)

Wage enhancement

The Committee notes that the third and final installment of the staff wage enhancement which was due in FY2019/20 amounting to UGX 11.16billion had not been honored to date, which has generated a lot of anxiety among staff. The Commission is also in need of UGX 1.66 billion for remuneration of staff in the 10 new cities and Terego District totaling to eleven (11) new electoral districts that took effect 1st July 2020.

The Commission will also open up offices in some Municipalities across the country to assist the District Election Administrators in those jurisdictions. The Commission therefore requires UGX 22.192 billion to cater for wage as elaborated above

The Committee therefore recommends that UGX 22.19 billion for wage be provided in a phased manner beginning with UGX 11.1 in FY 2023/24.

Women Councils/Committees Elections

The Committee learnt that the Women Council elections lapsed on 23rd August 2022. The absence of duly elected women councils is contrary to the Constitutional provision of affirmative action. It also means that the issues of domestic violence, defilement, rape, child neglect, women empowerment and other gender concerns have not been fully attended to due to lack of effective women representation at lower levels. Full democratic decentralization requires gender balance and redressing issues of marginalization.

The Committee learnt that the budget earmarked for Women Councils/Committees elections was UGX 35.68 billion. However the process was indefinitely suspended due to lack of funds. By the time of suspension of activities, the Commission had incurred UGX 21 billion on a number of activities that is still outstanding.

The Committee recommends that Government provides UGX 20 billion to the Commission during FY 2023/24 to support the Commission to conclusively conduct Women Council/Committees Elections.

Operationalization of offices in the ten (10) new cities and Terego District

The Committee notes that the Commission has not been able to operationalize the ten new cities of Jinja, Mbarara, Gulu, Arua, Masaka, Fort Portal, Mbale, Soroti, Hoima and Lira, and one district of Terego that took effect 1st July 2020.

The Committee recommends the provision of UGX 7.26 billion to operationalize offices in ten new Cities and Terego District during FY 2023/24.

7.1.5 THE OFFICE OF DIRECTORATE OF PUBLIC PROSECUTIONS (ODPP)

Inadequate Staffing

The Committee notes the critical need for recruitment of Prosecutors to expand the scope of reach of criminal prosecution services. ODPP is not present in 45 district and 101 Courts; there is currently a staffing gap of 546 prosecutors. In FY 2023/24 the ODPP requires additional funding worth UGX 28 billion for recruitment of additional staff (130 State Attorneys, promoting 135 State Attorneys, 79 Office Typists, 48 Office attendants, 50 data entry clerks, 10 ICT officers, 30 record assistants, 1 senior policy analyst, 2 senior Engineering Assistant, 1 Principal Engineer, 1 Principal Communications Officer, 1 Communications Officer and 20 Drivers.

The Committee recommends that ODDP be provided with funds in a phased manner starting with UGX 14 billion in the FY 2023/24 to facilitate the ODPP recruit and promote staff with the aim of increasing the scope of criminal prosecution services across the country.

7.2 COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

7.2.1 VOTE 017 MINISTRY OF ENERGY AND MINERAL DEVEOLOPMENT

Implementation of CDAP for Karuma and Isimba HPPs

The Committee was informed that whereas Government through MEMD committed, planned and disclosed various CDAP initiatives to the Project Host Communities under both Karuma and Isimba HPPs, to-date only about 5% and 50% of the CDAP interventions have been implemented under Karuma and Isimba HPPs, respectively.

The Communities have raised concern about the delays in implementation of the CDAP interventions leading to some hostilities and disruption in execution of project works – including vandalism of transmission lines as communities do not offer the necessary support to protect them against vandals.

Projects planned for implementation include, upgrading of health facilities, building of schools, provision of water supply systems, tree planting, power extension, community markets and tourism restoration centres, among others.

The Committee observes that it is imperative that these CDAP initiatives are implemented as a way of ensuring that the Project Host Communities' Livelihoods are restored or made better in accordance with best practice and Government responsibility whenever public projects are implemented. This helps to have buy-in from the communities and facilitate project acceptance.

The Committee recommends that Government provides UGX 45 billion for CDAP activities under Karuma and Isimba HPPs.

LPG Supply, Promotion and Infrastructure Intervention Project

The Committee was informed that the cooking energy mix in Uganda today is skewed with 94% of the 10 million households using biomass in form of firewood or charcoal to prepare their day-to-day meals. Only 1% of the households in the Country use Liquefied Petroleum Gas (LPG) energy for cooking. The Committee observes that continued dependence on biomass has resulted in massive reduction of plant cover which is currently manifesting through prolonged dry spells.

Accordingly, MEMD developed a project on LPG Promotion, Supply and Infrastructure intervention in which it is expected that over the 5 year project period, more Ugandans will have converted to LPG for cooking from the current 1% to 20% by 2030 at household level considering the current population growth of 3% per annum.

Under the project, MEMD developed guidelines on distribution criteria for cylinder kits and since the numbers are too small, distribution commenced with Kampala, Mukono and Wakiso on 5th July 2022. To date, 10,000 cylinders have been distributed. The distribution partners are Total Energies, Stabex International and Vivo Energy who signed MOUs with Government to refill the cylinders, distribute and validate them. The project requires additional funding to bridge the huge deficit in the Cylinder kits where the 200,000 cylinder kits require UGX 92 billion in FY 2023/2024 to scale up the project to have a national outlook.

The Committee recommends that Government provides UGX 92 billion for project activities next financial year, 23/24. The MEMD should put in place a plan with a national outlook on the distribution of LPG.

Completion of high voltage evacuation lines

The Committee was informed that Government continues to address the issue of Deemed Energy through expediting the construction of various evacuation lines that are expected to be completed by June 2023. The lines include: Gulu-Agago project and Kole-Gulu-Nebbi-Arua project whose physical progress of works stands at 80% and 70% respectively.

The Committee observes that there is urgent need for Government to complete these lines and put an end to Deemed Energy.

The Committee recommends that Government fast tracks the completion of evacuation lines within this financial year and end deemed energy payments.

The Committee also recommends that a forensic audit of the Deemed Energy payments be conducted.

Government's preparedness to take over from UMEME

The Committee was informed that Cabinet approved a roadmap for the power sector reforms in the Country. Among the key reforms was the take-over ofthe delivery of electricity to end consumers at the expiry of UMEME Concession Agreement 2025.

UEDCL was mandated to take over the portfolio of UMEME immediately. The Committee was further informed that MEMD requested MoFPED to provide a supplementary to enable UEDCL commence implementation of investments in the distribution sector in November 2022.

The Committee observes that although UEDCL has been running an electricity distribution business in areas where UMEME did not reach, it's likely to be over-stretched when it takes over from UMEME. This calls for strengthening of UEDCL before the takeover.

The Committee recommends that Government ensures a smooth transition and take over from UMEME in accordance with the Concession Agreement. Government should avail the necessary financing to ensure smooth transition and take over from UMEME.

Formation of the Uganda National Electricity Company (UNECL)

The Committee was informed that the Ministry of Energy and Mineral Development commenced the implementation of the Power Sector Reforms which will culminate into creation of the Uganda National Electricity Company Limited (UNECL) merging UEGCL, UETCL and UEDCL.

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The Ministry Merger Committee finalized a Draft Structure for UNECL and submitted to the Ministry of Public Service for onward action.

The Committee observes that the timing of the formation of UNECL which is expected to take over Generation, Transmission and Distribution needs to be handled carefully given that UEDCL is expected to take over from UMEME during the same period. The Committee notes that the three companies that are to form UNECL were unbundled from UEB that still exists and that the merger of the three companies would seem like a re-bundling.

The Committee recommends that Government ensures formation of UNECL to facilitate smooth transition from UMEME. The Attorney General should expedite the winding up of Uganda Electricity Board (UEB).

Electricity Access Scale–Up Project (EASP)

The Committee was informed that the Electricity Access Scale–Up Project (EASP) whose financing is to a tune of USD638 million will commence by April, 2023.The Project is expected to add over one million connections to the National Grid targeting households, commercial enterprises, public institutions, mining centers and industrial parks; thereby creating demand of up to 500 MW.

In addition, the project will accommodate rolled over activities from other exiting rural electrification projects. The EASP is going to increase coverage to approximately one million connections despite an existing demand of 10 million. This therefore calls for more investment in the energy sector.

The Committee recommends that government expedites the establishment of the Project Implementation Unit to enable seamless coordination and execution of project activities.

The Committee recommends that the Ministry of Energy and Mineral Development packages other similar projects to address the existing demand in electricity connections.

Underfunding of Petroleum Authority of Uganda

Petroleum Authority of Uganda (PAU) is monitoring and regulating six key projects being implemented concurrently. These include the Tilenga, Kingfisher Development Area (KFDA), the East Africa Crude Oil Pipeline, and Kabaale Refinery Project, Kanywataba and Ngassa deep and shallow exploration contract areas.

The Committee observed that Uganda has moved into the development and production phases with first oil expected in 2025. However, PAU has a total funding shortfall of UGX 45.5 billion next financial year. The funds are

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required for the following critical activities: Recruitment of additional 47 staff: UGX 7.916 billion; National Petroleum Data Repository Infrastructure Project: UGX 3.228 billion ; Retooling Project for PAU: UGX 6.573 billion and National Oil Spill Response & Monitoring Infrastructure Project:UGX17.827 billion

The Committee recommends that Government allocates additional UGX. 45.5 billion to enable PAU effectively execute its mandate in the oil and gas sector.

Outstanding Social Security Contributions

The Committee was informed that PAU has not remitted to NSSF employer contributions amounting to UGX 1.78 billion from July 2022 to December 2022 which is illegal. This is on account of poor releases in the first half of FY 2022/23.Only 41.6% (UGX 26.5 billion) of the approved budget of UGX 63.7 billion was released.

The Committee observes that NSSF employer contribution is a statutory and contractual obligation and the arrears will attract interest and penalties.

The Committee recommends that;

i) **Government should make financial releases to PAU as per the approved cash flow plan for the remaining quarters of the financial year 2022/23.**
ii) **Government should release UGX 1.78 billion to PAU to settle outstanding NSSF contributions.**
iii) **PAU should adhere to the law and ensure that NSSF contractual obligations are met.**

7.2.2 Vote 019: MINISTRY OF WATER AND ENVIRONMENT

Support to Rural Water project-Source per Village

The Committee was informed that there are 70,512 villages in the country and of these villages 49,102 (70%) villages have access to a safe water source leaving about 21,410 villages without a single clean water source.

The Ministry plans to pursue the Presidential Directive to ensure that every village in the country has at least one clean and safe water source using several strategies such as drilling and installation of 10,000 new point water sources targeting to serve a total of 10,000 villages across the country and upgrading existing boreholes with solar-powered submersible pumps among others.

The implementation of these strategies shall be undertaken over the medium term depending on the availability of funding. The Committee was informed that, with the current funding level, the Ministry will be in a position to provide 90 per cent of villages with at least one clean and safe water source after.

The Committee recommends that government provides adequate funding for rural water interventions so as to provide safe water supply source per village.

Repair and Maintenance of Boreholes

The Committee observed that operation and maintenance of boreholes in rural areas remains a key challenge of water supply in Uganda. The Committee further noted that the budget put aside for repair of boreholes is not commensurate to the rate of breakdown of water facilities. This has affected functionality for rural water supplies that has stagnated at least 85% of the established boreholes since FY 2018/19 below the NDP target of 95%.

While there are on-going efforts to motorize existing boreholes by incorporating a solar powered energy package, greater attention must be paid to the functionality of old boreholes in both rural and peri-urban areas. The breakdown of boreholes is a huge burden, especially to political leaders.

The Committee reiterates its recommendation made in FY 2022/23 that Government provides a total of UGX 30 billion specifically for the purpose of repair and maintenance of the already existing boreholes.

The MWE procures materials that are embossed and deliver them to Districts to support routine maintenance of boreholes.

The MWE should strengthen the Association of Hand pump Mechanics by providing them with the necessary tools and equipment.

Improvement of Water Storage and Network Expansion Countrywide

The Ministry requests for at least UGX 50bn for connections and water supply improvements to keep up with the constant safe water supply coverage level (without going down) in the short term.

The additional funds will be used to improve water storage and network expansion countrywide. This will make the network more economically viable and serve more people from the available sources. It will also increase the number of sources per village under the rural and urban water components.

The Committee recommends that Government should provide UGX 50 billion to support improvement of water storage and network expansion countrywide.

Solar Powered Irrigation and Water Supply Systems (NEXUS GREEN PROJECT)

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

This project is aimed at creating at least one irrigation scheme per constituency. However, the Committee was informed that the project has a counterpart funding shortfall of UGX 22 billion for the next financial year.

The Committee recommends that;

i) **Government provides UGX 22 billion as counterpart financing requirements for the Nexus Green Project under the Ministry of Water and Environment.**
ii) **Government should reduce taxes on irrigation materials so as to make them affordable.**

Restoration of the Environment through Tree Planting

The Committee was informed that the Ministry of Water and Environment requires UGX 20 billion for raising tree seedlings and UGX 10bn for unpaid certificates for seedlings already supplied as per Government to provide counterpart funding equivalent to US$ 6 million per year under the IFPA CD Project. The tree seedlings will be used for restoration of forest cover and degraded wetlands.

The Committee observes that the continued loss of forest cover exacerbates the already severe weather patterns in form of prolonged droughts and floods.

The Committee recommends that Government provides a total of UGX 30 billion for the restoration of environment through tree planting as per commitments made under the IFPA CD Project.

National Water and Sewerage Cooperation

Outstanding Financial Obligations under Water Service Acceleration Project (SCAP 100)

The Committee was informed that Project 1438: Water Service Acceleration Project (SCAP 100) has accumulated arrears to a tune of UGX.41.0 billion and there is need to stretch the project to new cities and the newly taken over towns to meet the immediate water supply needs. Therefore, more funding is required to a tune of UGX 87.0 Billion to clear the outstanding invoices and also meet the immediate water supply needs in the new cities and new towns taken over by NWSC. However, the existing ceiling amounts to UGX. 44.94bn. Therefore there is urgent need for additional financing amounting to UGX. 42.0 billion.

The Committee recommends that Government provides an additional UGX 42 billion to NWSC to clear outstanding financial obligations.

Outstanding obligations under Kampala Sanitation Project (KSP)

The Committee was informed that works for the KSP project have been completed and the project is due for financial closure. To date, there are accumulated financial obligations relating to the project amount to UGX. 50.433 billion. It should be noted that the amount outstanding continues to accumulate interest, and any further delay in payments will escalate the project costs.

Government should provide UGX 50.433 billion to NWSC to clear outstanding financial obligations under the project.

Outstanding obligations under Integrated Water Management and Development Project (IWMDP)

The current outstanding payment obligations for this project amount to UGX. 17.182 billion. The funding requirement is critical to achieve full financial closure of the project and avoid any further accumulation of arrears due to delayed payments. However, there is no GoU budgetary provision in the FY 2023/24 for this project.

The Committee recommends that Government should provide UGX 17.18 billion to NWSC to clear outstanding financial obligations under the project.

Crisis of Water in Health Facilities

The Committee observes that the operation, management and maintenance of the water supply system(s) in health facilities continues to be a challenge. The Committee was informed that the funds released by MoFPED to clear water bills in health facilities were insufficient leading to arrears in unpaid bills.

The Committee was further informed that the Ministry is in the process of developing a new project called Water Supply and Sanitation for Institutions Project – currently at the Development Committee level. This project intends to among others; supply the health institutions with water.

The Committee recommends that Government should expedite the development of Water Supply and Sanitation for Institutions Project. Government should clear outstanding arrears in water bills especially for health facilities.

7.2.3 VOTE 157: NATIONAL FORESTRY AUTHORITY

Forest Encroachment

The Committee noted that despite various Government interventions to restore forest cover, there has been continued loss of acreage of forest cover due to encroachment. Additionally, the existing penalties and enforcement mechanisms are inadequate to address the increasing impunity on forest encroachment.

The Committee was further informed that the total external boundary of over 11,000kms of the Permanent Forest Estate (PFE) requires re-surveying and demarcation to restore the physical legal boundaries from encroachment. Next financial year, NFA requires an additional UGX 1.5 billion to undertake this activity.

The Committee recommends that Government provides UGX 1.5 billion for re-surveying and demarcation forest boundaries. Government should put in place deterrent penalties in regard to forest encroachment.

Budget for provision of Tree Seedlings

The Committee noted that the restoration of forests and tree cover by natural regeneration or by plantation or by agro forestry has not kept pace with the annual loss of forest cover and loss of individual trees. According to the NDP III, forest cover in Uganda reduced from 20% in 1986/87 to 9.5% in FY17/18. This is majorly attributed to use of biomass fuel for cooking, expansion of agricultural land, sporadic urbanization, and income poverty.

This has led to climate change as evidenced by severe weather patterns in form of prolonged droughts and floods. The continued loss of forest cover is impacting negatively on Uganda's tourism, agriculture, among others; and therefore, needs to be addressed urgently.

The Committee was informed that one of the strategies to deal with climate change is through increased tree planting. However, this intervention has a funding shortfall of UGX 4 billion next financial year.

The Committee recommends that NFA expedites the creation of the National Tree planting Project which was a project idea at the start of NDP III.

The Committee further recommends that Government allocates UGX 4 billion to provide tree seedlings under NFA.

Conservation of Private Forests

The Committee noted that there are natural forests owned by private persons but neither NFA nor District Forestry Services have any jurisdiction to manage exploitation and conservation of such resources. Owners of such forests exercise the right to cut trees for their own gain although such actions have repercussions on the balance of the ecosystem. NFA lacks incentives to encourage conservation efforts for such forests.

The Committee recommends that the Ministry expedites a framework for carbon credits to encourage tree planting activities

7.2.4 VOTE 150: NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

Wage Budgetary Constraints under NEMA

The Committee was informed that NEMA has a new approved staff structure to address the need for close monitoring of the environment sector. The restructuring will see NEMA staff increase from the current 131 staff to 413 staff, an increment of 282 staff and the wage bill increase from current UGX 6.722 billion to UGX18.854billion, requiring UGX12.132 billion as wage.

The Committee notes that if recruited, the staff will strengthen the regional presence of NEMA through establishment and strengthening regional offices as well as introduction of an Oil, Gas and Mineral Division.

Under the Sustainable Energy Development Programme, NEMA will acquire tools and equipment for implementation of Environment and Social Management Plans and Audits; and undertaking Environment and Social Impact Assessments.

The Committee recommends that, Government allocates UGX 12.1 billion to enable NEMA recruit additional staff to execute its mandate especially under the oil and gas subsector.

Automation of Environmental Social Impact Assessments

The Committee observes the need to automate the Environment and Social Impact Review Process as a means to improve coordination among lead agencies, ease decision making, reduce turnaround time in issuance of ESIA certificates, permits and licenses and reducing corruption tendencies. This will require procurement of an Environment Monitoring and Licensing System.

The Committee was informed that Automation of Environment and Social Impact review processes and other Business Processes require an additional UGX 11.25 billion next financial year.

The Committee recommends that an Environment Monitoring and Licensing Systems should be procured at a competitive rate. Government should provide UGX 11.25bn to NEMA for procurement of this system.

Purchase of Environmental Monitoring Fleet

The Committee observed that Uganda has moved into the development and production phases with first oil expected in 2025. NEMA awarded Environment and Social Impact permits to various operators of Tilenga and Kingfisher Oil fields in the Albertine Graben. These permits necessitate that NEMA ensures environmental compliance at all stages of petroleum industry.

Despite this need, the Committee noted that the 29 of the 36 vehicles belonging to NEMA are in dangerous mechanical condition, which may hamper the Authority from timely response to environment disasters and routine monitoring activities.

The Committee recommends that government provides UGX 4.74bn to NEMA for purchases of vehicles.

7.3 COMMITTEE ON EDUCATION AND SPORTS

7.3.1 Vote 013-Ministry of Education and Sports

Budget Cuts

The Committee observes that the Ministry has experienced budget cuts in budgetary allocations for FY2023/24 to the tune of 80% for all its subventions. This will greatly affect the implementation of a number of critical activities such as the Loan scheme, Teacher policy implementation, higher education and Sports. A total of UGX 170.95bn has been cut from these activities as per attached annex 1.

The Committee recommends that MFPED reinstates UGX 170.95bn that was cut from various subventions under the sub-programme as all the areas cut are critical towards attaining quality Education in FY2023/24.

Uganda Allied Health Examinations Board-UAHEB

The Committee observed that the budget for subventions under the MoES was cut by 80% barely leaving these examination Boards under the Ministry with any funds for administration of examinations in FY2023/24. From UGX 6,360,001,024 allocated as subventions in FY2022/23, only UGX 1,051,353,000 was allocated as subventions for FY2023/24 which can barely support the Board through the year.

The Board requests that at least UGX 12.6bn be allocated to UAHEB in FY2023/24 for it to effectively manage examinations in the Allied Health professions. This will enable the Board recruit more staff and train examiners.

The Committee recommends that MFPED re-instates its subvention budget of UGX 6.36 bn and an additional UGX 6.2bn be allocated to UAHEB for the Board to effectively carry out its mandate.

7.3.2 VOTE 122: KAMPALA CITY COUNCIL AUTHORITY-KCCA

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

The Authority requires additional seed schools in the city given the increasing number of learners hence exerting pressure on the few existing one. The Authority seeks construction of a seed secondary school in Lubaga, Nakawa and Kawempe Divisions to handle the increasing number of students and ease on the number of students per class. Construction of the Phillip Omondi Stadium has a shortfall of UGX 6bn and yet this is a multi-year project.

The Committee recommends that KCCA be allocated an additional UGX 1.3bn for revised capitation grants for UPE, USE/UPOLET and SNE subvention to KCCA schools.

The Committee further recommends that MoES works closely with MFPED and KCCA in ensuring that more seed schools are built in the city to address the issue of the growing number of learners and given the fact that it's not easy to access 5 acres of land in the city as the requirement for constructing a seed school require, They can consider constructing going upwards in order to ensure that learners access quality education.

7.3.3 Vote 164: NATIONAL COUNCIL FOR HIGHER EDUCATION-NCHE

Inadequate funding for the Council to execute it mandate

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

The Council continues to have a shortfall of UGX 1.262bn for it to recruit additional 16 staff for it to get to at least 70 staff out of an approved establishment of 125 staff this is critical for it to ably monitor institutions.

The Council also requires additional vehicles for field work, out of the 5 vehicles at the Council, 3 are due for disposal leaving them with 2 vehicles.

The Council needs UGX 7bn to construct its main building which will house a resource center, video conferencing facility, disaster recovery center and research hub that will support higher education institutions.

The Committee recommends that MFPED allocates NCHE an additional UGX 1.262bn for it recruit additional 16 staff to effectively discharge its duties as a regulator for higher education.

7.3.4 VOTE 111: NATIONAL CURRICULUM DEVELOPMENT CENTRE-NCDC

Budget cuts on critical budget lines

The Committee observes that the Center experienced budget cuts in its budget for FY2022/23 from UGX 42.163bn in FY 2021/22 to UGX 22.125bn in FY2022/23 this affected the progress of a number of activities such as implementation of the lower secondary curriculum, preparatory activities for review and roll out of the A 'level curriculum, implementation of the Early Grade reading/numeracy at pre-primary level and clearance of domestic arrears.

The Committee recommends that MFPED reinstates its budget of UGX 42.163billion to enable the Center achieve its planned but rather unfunded activities like the roll out of revised Early Grade reading Materials, Roll out of Kiswahili curriculum in upper primary, development of A 'level curriculum, domestic and gratuity arrears and missing components of the printing press.

Higher Education Students Financing Board-HESFB

Inadequate funding

The Committee observes that HESFB lacks enough funds to offer loans to majority of the needy students that apply to the Board for Higher Education funding. In FY2021/22 the Board's approved budget was UGX 41.190bn with UGX 32.303bn from the consolidated fund and UGX 8.887bn from NTR, however, out of UGX 32.303bn expected from MFPED only UGX 16.927bn was released leaving the Board with a shortfall of USh 15.376bn which resulted into arrears for the entire second semester fees for almost all institutions.

In FY2022/23, the Board's budget was UGX 33.238bn out of which UGX 29.52bn was from the consolidated fund and UGX 3.718bn NTR. However, by end of half year the Board had only received UGX 7.08bn which is only 24% of the year's release.

The Board continues to accrue arrears and have budget cuts as of FY2023/24 out of a budget of UGX 32bn expected from the consolidated fund only UGX 5.504bn has been allocated leaving the Board with a shortfall of UGX 26.502bn.

The Committee recommends that MFPED reviews the budget of the Board by allocating funds for clearing arrears got in FY2021/22 and FY2022/23 and allocates the Board an additional UGX 26.502bn for FY2023/24 to enable the Board execute its mandate of providing loans and scholarships to Ugandan students who are unable to finance their Higher Education.

7.3.5 VOTE 166: NATIONAL COUNCIL OF SPORTS-NCS

Inadequate funding to NCS

The Committee observes that the Council experienced huge budget cuts with their budget for FY2023/24 reducing by 64% compared to FY2022/23 from UGX 47.8bn to an allocation of UGX 17.387bn in FY2023/24, this budget cut is likely to affect a number of planned activities under the Council such as preparation, qualifications and participation of Team Uganda in the 2023 All Africa Games in Accra Ghana and the 2024 Paris, France Olympic and Paralympics games among others. The Council seeks an additional UGX 30.42bn in order to support 51 registered National Federations and other activities.

The Council requires a development budget of UGX 84.05bn for the refurbishment and renovation of Sports facilities at Lugogo Sports Complex and UGX 202bn needed to facilitate the refurbishment of various National Stadia regionally; Kakyeka (Mbarara), Barifa (Arua), Pece (Gulu), Bugembe/Kakindu (Jinja), Mbale Municipal Stadium (Mbale), Masaka Recreational Grounds (Masaka), Kabale Stadium (Kabale), Soroti Stadium (Soroti), King George Stadium (Tororo), Hoima (Boma Ground) and Masindi Stadium.

The Committee recommends that MFPED reinstates that budget of NCS for FY2023/24 to UGX 47.8bn.

The Committee further recommends that MFPED avails NCS a development budget of UGX 50bn to kick start the development of the complex at Lugogo and the National stadia regionally in the medium term.

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7.3.6 VOTE 301 MAKERERE UNIVERSITY

Inadequate funding for rehabilitation of dilapidated infrastructure at Makerere University

The Committee notes that some Public Universities are still grappling with the issue of dilapidated infrastructure especially the old ones like Makerere University which endangers the lives of students. In 2019, the Uganda Veterinary Council warned that they would no longer register graduates of Veterinary medicine due to inadequate facilities for training. Further, KCCA also threatened to close all halls of residence due to their dilapidated state, UGX 17bn has so far been allocated by MFPED and the University intends to embark on works on Lumumba and Mary Stuart Halls.

As a result of these developments, the President directed that MFPED avails funds to public universities for renovation of halls of residence and schools of medicine.

The University needs an additional UGX 52bn for renovation of the schools of medicine and additional 10 halls of residence and UGX 53bn for construction and equipping of laboratories at the College of Health Sciences and College of Veterinary Medicine, Animal Resources and Bio Security.

The Committee recommends that MFPED allocates UGX 52bn for renovation of the schools of medicine and 10 halls of residence and UGX 53bn for construction and equipping of laboratories at the College of health Sciences and College of Veterinary Medicine, Animal Resources and Bio Security.

7.3.7 VOTE 304 KYAMBOGO UNIVERSITY

Dilapidated Infrastructure

The Committee observes that the University continues to grapple with issues of dilapidated infrastructure; the University still has asbestos sheets on some of its old buildings and this continues to be a health hazard to the University community UGX 2bn is needed to start the process of removal of the asbestos sheets, UGX 9bn is needed for renovation of the halls of residence that are dilapidated and are not suitable for accommodation, UGX 4bn is needed to construct a wall fence around the University to protect the University land, UGX 1.2bn is needed for refurbishment of east End and West End Main Halls to complement office and teaching space and UGX 18bn to upgrade the University roads to Bitumen standards.

The Committee recommends that MFPED allocates Kyambogo University an additional UGX 11bn in FY2023/24 to address the issues of renovation of student hall (9bn) and removal of asbestos sheets from buildings renovation and conversion of 20 accommodation facilities into offices (2bn).

7.3.8 VOTE 305 BUSITEMA UNIVERSITY

Inadequate funding towards the completion and equipping of Medical School

The Committee notes that out of the required UGX 12.1bn that was needed to revamp the medical school block, only UGX 2.8bn has been availed leaving a short fall of UGX 7.3bn.

The Committee recommends that MFPED allocates the University an additional UGX 7.3bn to fast track and complete the rehabilitation of the Medical School and equip it as is required by the NCHE standards.

7.3.9 VOTE 306 MUNI UNIVERSITY

Inadequate funding to Muni University

The Committee observes that Muni University continues to suffer issues of underfunding and always seeks supplementary budgets due to the limited non-wage budget it's allocated. The Committee notes that the University gets supplementary funding of UGX 2.8bn each financial year due to shortfalls in its non-wage recurrent and it would be prudent for MFPED to add this to their budgetary allocations to avoid supplementary funding.

The University also urgently needs UGX 4.8bn to cater for critical staffing gaps to cater for new programs and students moving to 3rd and 4th for Bachelor of Science in Agriculture and Business admin and staff for Erepi.

The University also needs UGX 1.2bn for operationalization of Erepi PTC in Moyo. The University requires UGX 8.2bn annually to cater for infrastructural needs of the University.

The Committee further recommends that MFPED allocates the University UGX 4.8bn needed to recruit staff needed to lecture the 3rd and 4th year students of Agriculture and Management Sciences.

7.3.10 VOTE 312 UGANDA MANAGEMENT INSTITUTE-UMI

Inadequate Capital Development funds for UMI

The Committee observes that UMI requires an additional UGX 1.5bn for construction of a new classroom block at its campuses of Mbale and Mbarara. The Institute also needs UGX 1.5bn for construction of Multipurpose building in the medium term.

The Committee recommends that MFPED avails UMI additional UGX 1.5bn for construction of new classroom blocks at Mbale and Mbarara and UGX 1.5bn to kick start the construction of multi-purpose building at the Kampala Branch.

7.3.11VOTE 313 MOUNTAIN OF THE MOON UNIVERSITY

Inadequate development budget

The Committee observes that in FY2022/23 as the University was established it had a development budget of UGX 5.41bn however by half year only UGX 1.80bn had been released and no there is no allocation for development in FY2023/24.This being a new University, there is need to re-instate the development budget to address issues of rehabilitation of buildings taken over and equipping departments.

The University also seeks UGX 5.4bn as retooling budget usually allocated to new votes to procure Icy equipment, furniture and transport equipment in order to support teaching, research and administrative functions.

The University started construction of the science laboratory , lecture rooms and research block that is on going. Therefore the university is seeking UGX 20 bn to complete this construction works.

The Committee recommends that;

(i) **MFPED re-instates Mountain of the Moon University development budget of UGX 5.41bn**
(ii) **Allocate additional UGX 5.4bn as retooling budget.**
(iii) **Provide additional UGX 20 billion to complete construction of the science laboratory, lecture rooms and research block**

7.4 COMMITTEE ON HEALTH

7.4.1 VOTE 014 MINISTRY OF HEALTH

Proposed Health Budget Cuts in FY 2023-24

The Committee observed that the budget for the health sub-programmes is projected to decline from UGX 3,670.8 bn approved in FY 2022-23 to UGX 3,240.7bn in FY 2023-24 translating into a decrease of UGX 430.1bn (12%). Whereas the wage bill is projected to increase by UGX 2.1bn, Non-wage and

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GoU development categories are projected to reduce by UGX 77bn and 105.6bn respectively. The Committee noted that whereas the cuts under GoU development category have been driven by one-off expenditures in various sub-programmes, if not retained, it is likely to further worsen the underfunding challenges already being experienced by the Sub-programmes.

The Committee was informed that the development budget under Regional Referral Hospitals is projected to reduce by UGX 23.8 billion yet a number of the RRHs have infrastructure challenges ranging from inadequate staff accommodation to dilapidated structures needed for health service delivery. In addition, the proposed cuts under the non-wage category by UGX 77bn are largely affecting subventions towards Private Not for Profit (PNFP) supply of commodities, blood collection by Uganda Red Cross, Medical Interns, Senior House Officers and support to Hospitals and Local Governments amounting to UGX 75.4bn.

The Committee recommends that:

i) **Parliament reverses this proposed cut and instead provide UGX 23.8 billion under RRHs for infrastructural gaps to improve provision of healthcare to the expected standards.**
ii) **Parliament reverses the proposed cuts under non-wage amounting to UGX 75.4bn and adequately provides for resources to facilitate provision of subventions to the affected services in order to avoid a likely crisis during budget implementation in the FY 2023-24.**

Inadequate Budget Provision for Wage Requirements

The Committee was informed that whereas only UGX 2.1bn has been provided for as additional wage over and above this FY 22-23 budget of UGX 1,040.6bn, there is already shortfall in wage amounting to UGX 70.12bn for MoH (1.9bn), Gulu (1.7bn), Yumbe (7.5bn), Lira (1.2bn), Kiruddu (9.1bn), Soroti (0.5bn), Kabale (2.8bn), Kayunga (6.0bn), Entebbe (4.4bn), Mulago Women's Specialised Hospital (6.4 bn), Kawempe (11.3bn) and Naguru (17bn new staff structure for the trauma Centre). Resulting from the wage constraints many hospitals have remained understaffed especially the newly elevated hospitals shown in table 14 below. Failure to provide for this shortfall will continue to constrain health service delivery across all levels due to under-staffing.

Table 12: Staffing levels for newly elevated hospitals

Health Facility	% Filled	Required UGX Bn	Justification
Entebbe Regional Referral Hospital	28.0%	4.4	To increase staffing level to 65%
Kayunga Regional Referral Hospital	24.7%	6.0	To increase staffing level to 54.7%

Health Facility	% Filled	Required UGX Bn	Justification
Yumbe Regional Referral Hospital	23.4%	7.5	To increase staffing level to 70%
Kawempe National Referral Hospital	33.0%	11.3	To increase staffing level to 70%
Kiruddu National Referral Hospital	35.3%	9.1	To increase staffing level to 65%

Source: BFP FY 2023/24 Submissions to the Committee on Health

The Committee recommends that UGX 63.7 billion required to provide for the wage shortfalls in MoH, Gulu, Yumbe, Lira, Kiruddu, Soroti, Kabale, Kayunga, Kawempe, Entebbe and Naguru should be prioritized in FY 2023-24 to avoid disruptions arising from a possible supplementary for these foreseeable wage shortfalls.

Inadequate Funding to Support Renovation & Equipping of Hospitals

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

The Committee was informed UGX 24.1bn is required to undertake construction and rehabilitation of the Regional Referral Hospitals for Arua (orthopaedic ward and theatre 2.5bn, administration block 2.5bn, mortuary 0.3bn, imaging centre 0.5bn, staff house 4.1bn), Fort Portal (staff house 6bn), Kiruddu (waste treatment plant 0.3bn), Gulu (OPD and ward rehabilitation 2bn), Lira (rehabilitation of buildings), renovate and equip dilapidated hospitals and health centres.

During its oversight visits, the Committee observed that many HC IIIs and IVs were in a dilapidated state while some areas did not have HC IIIs and HC IVs. This affected health service delivery like maternal and child health services, emergency services and primary health care.

The Committee recommends that:

i) **An additional UGX 24.1 billion should be provided in FY 2023-24 to ensure that the renovation and equipping of hospitals and health facilities is fast-tracked as a means of de-congesting regional and national referral hospitals to enable them provide the much needed specialized health care.**

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ii) **An additional UGX 30 billion be provided for upgrade of HC IIIs to HC IVs, HC IIs to HC IIIs and renovation of existing ones.**

Under-funding for provision of Primary Health Care services

Whereas the health sub-programmes aim at migrating the population from a predominantly curative healthcare system to a preventive health care promoting system, the Committee was informed that there is a shortfall in operation funds for PHC services amounting to UGX 24.7bn in the FY2023-24 required to cater for newly-upgraded HC IIIs, HC IVs and General Hospitals. If these funds are not availed, Government will continue spending huge sums on preventable diseases amidst budget constraints.

The Committee recommends that the funding gap of UGX 24.7 bn should be provided to support the provision of primary health care services under the newly-upgraded health facilities and general hospitals as a means of cutting back on health per capita expenditure.

Inadequate funding for Uganda Red Cross

The Uganda Red Cross (URC) supports Ministry of Health in emergency medical services and disease outbreak responses and blood donor mobilization. In the FY2022-2023, UGX 1 billion was provided to URC for blood donor mobilization and UGX 5.4 billion for emergency medical services and disease outbreak response strategy.

The Committee was informed that there is a funding shortfall of UGX 4.6 billion to URC to be able to carry out emergency medical services and disease outbreak response.

The Committee recommends that an additional UGX 4.6 billion be provided to URC to be able to execute emergency medical services and disease outbreak responses and additional UGX 1 bn for blood donor mobilization

Inadequate funding

The Uganda Cancer Institute is earmarked to become a regional centre of excellence in terms of cancer management. This includes prevention, screening, diagnosis, chemotherapy, radiotherapy and surgery. UCI has a wage shortfall of UGX 6 billion and this has stifled recruitment of staff on a permanent basis.

In its decentralisation strategy, a regional centre was built in northern Uganda and is awaiting commissioning and hand over. However, there are no funds to operationalize it. A total of UGX 7.5 billion for non-wage recurrent and UGX 7 billion for wage is required.

UCI also reported inadequate funds for procurement of medicines. While the budget requirement for medicines and sundries is UGX 52 billion (essential and oncology medicines), the budget allocation for FY2023-2024 is UGX 10 billion, leaving a funding gap of UGX 42 billion.

In the FY2021-2022, an HVAC system and two (2) apheresis machines for the bone marrow transplant facility were procured. This is important for patients who have suppressed bone marrows due to cancer, sickle cell disease etc. A total of UGX 15 billion is required to functionalise a bone marrow transplant facility.

The Committee recommends that total of UGX 40.5 billion be provided for: medicines and sundries (UGX 5 billion), wage shortfall for UCI (UGX 6 billion) and for the regional centre in Gulu (UGX 7 billion), bone marrow transplant facility (UGX 15 billion) and non-wage for the regional centre (UGX 7.5 billion) next FY 2023-2024.

MULAGO NATIONAL REFERRAL HOSPITAL

Inadequate funding

Mulago National Referral hospital provides both specialized and super specialised services although it is categorised as a national referral hospital. This puts a strain on the existing Human Resource, infrastructure and meagre resource. The incomplete construction plumbing and civil works, air conditioning, ICT services, are constraining operations of the hospital especially Radiology.

Currently, Mulago National referral Hospital is allocated 8.866 billion for essential medicines and sundries through NMS and another 13.5 billion for specialised medicines and sundries. The latter is to cater for specialised and super specialised services but this is inadequate

The committee was informed that to operate at the level of a specialised and super specialized hospital, an additional UGX 81 billion worth of medicines and supplies is required. When fuctionalized, Mulago Hospital has the potential to generate more revenue for Government of Uganda.

The committee recommends that an additional UGX 5 billion be provided for specialised medicines.

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Lack of funds for purchase Cancer of the cervix diagnostic equipment's

Cancer of the cervix is the number one cause of cancer morbidity and mortality in Uganda. In order to detect early cancer of the cervix, the hospital uses a Coloposcopy machine and LEEP machine to treat cancer. However, the lower health centres do have diagnostic equipment's to enable them to detect and treat cancer. Hence there is need to procure Colposcopy machine for early detection and a LEEP machine for early treatment of cancer of the cervix. It would require UGX 90 million for a LEEP machine and UGX 40 million for a colposcopy machine. To procure these equipment's for 10 Regional Referral Hospitals, the Ministry would require UGX 1.3 billion which is not available.

The Committee recommends that UGX 1.3 billion be provided for procurement of a colposcopy and a LEEP machines for each of the 10 Referral Hospitals in the FY2023-2024.

7.4.2 VOTE 151 UGANDA BLOOD TRANSFUSION SERVICES (UBTS)

Inadequate Blood Collection & Mobilization Facilities

The Committee was informed that currently UBTS collects about 300,000 Units of blood yet the actual estimated needs stands at about 450,000 Units of blood. This leaves a blood deficit of 150,000 Units of blood annually. In order to meet this gap, UBTS needs to expand its capacity to mobilize, collect and screen enough blood requirements. During the consideration of the annual budget estimates for FY 2022-23, Parliament was informed that 55 out of the total fleet of 63 vehicles have exceeded the recommended useful life of 5 years with mileage currently over 250,000 km. Whereas Parliament had appropriated UGX 2 billion in FY 2022-23 for this purpose, no funds have been released yet. The Committee has noted that instead, UGX 2 billion has been cut from the development budget of the Vote in FY 2023-24.

The Committee recommends that an additional UGX 1.87 billion be allocated to UBTS to procure six (6) vehicles to facilitate blood collection activities.

Inadequate funds for Procurement of Centrifuges

The Committee observed that Uganda Blood Transfusion Services has a funding gap of UGX 2.4 billion for purchase of centrifuges for six (6) regional blood banks. The centrifuges are used for preparation of blood components so that patients get the right prescribed treatment and minimise wastage of blood.

The Committee recommends that UGX 2.4 billion should be provided to facilitate the procurement of centrifuges for the six (6) regional blood banks in FY 2023-24.

Understaffing Under UBTS

The Committee observed that out of the 424 positions at UBTS, only 296 positions (70%) are filled, leaving staff shortfall of 128 (30%). Whereas the vacant posts were cleared for recruitment by the Ministry of Public Service, there is no wage provision in the FY 2023/24 to facilitate this task. A total of UGX 2.6 billion is required to recruit the additional 128 staff. If not provided, UBTS will continue with the challenges of blood shortages arising from inadequate staff to undertake blood collection mobilization activities across the Country.

The Committee recommends that UGX 2.6 billion be provided to Uganda Blood Transfusion Services to fill the 128 vacant positions so as to boost blood collection, processing and distribution services. The additional allocation will enable operationalisation of Mengo Hospital Rotary Blood Bank which was handed over to the Government.

Annual surgical camps

The Association of Surgeons in Uganda are planning to conduct an annual surgical camp and requires UGX 0.300 for this activity.

The Committee recommends that UGX 0.300 billion be provided to the Ministry to facilitate the Association of Surgeons of Uganda to conduct the Annual Surgical Camp.

7.4.3 VOTE 115 UGANDA HEART INSTITUTE

Inadequate budget allocation to UHI

Annually, 16,000 children are born with a heart defect and 500 babies are on the waiting list for cardiac interventions which cannot be conducted due to under-funding.

The facility carries out open heart surgeries, closed heart surgeries, cardiac catheterization, Echocardiography and ECG.

The catheterisation laboratory at Uganda Heart Institute is 10 years old, out of warranty and spare parts. It has exceeded its recommended years of operation.

The Committee observed that the newly-completed intensive care ward, 1C, at Uganda Heart Institute is not operational due to lack of funds for recruitment of human resource, medical sundries, maintenance and other operational costs. UHI requires UGX 20 billion to operationalise the ICU. This will cater for wages for 118 ICU staff (UGX 7billion), drugs and medical sundries for surgery and catheterisation procedures (UGX 10.765 billion), maintenance and service contracts (UGX 2.235 billion).

The Committee recommends that;

i) **An additional US$2 million (UGX 7.6 billion) should be provided for to facilitate purchase of equipment for the Catheterisation Laboratory.**
ii) **An additional UGX 20 billion be provided for operationalisation of Ward 1C.**

Lack of funds for equipment maintenance

The Committee observed that the UGX 769 million allocated for maintenance of equipment is inadequate.

The Committee recommends that UGX 769 million be provided for equipment maintenance.

7.4.4 VOTE 401 MULAGO NATIONAL REFERRAL HOSPITAL

Inadequate Staff Accommodation

Mulago Hospital in an effort to provide conducive staff accommodation, there is an ongoing project to construct 150 staff housing units currently at 34% completion. The Committee observed that there has been a budget cut for development expenditure in the medium term from UGX 10.082 billion to UGX 5.260 billion. This cut will affect construction of staff houses.

In this financial year 22/23, at total of UGX 5 billion was appropriated but has not been released to date. A total UGX 16 billion is required to complete this project.

The committee recommends that UGX 8 billion should be provided this FY 2023/24 to complete at least one block of 50 units.

Lack of funds for commencement of kidney transplant services

With the rising burden of non-communicable diseases, kidney disease is also on the increase. The available option for management is dialysis which is costly and unsustainable in the long-term. Kidney transplant provides a better alternative but patients in Uganda cannot access transplant locally. Mulago has the necessary infrastructure, human resource and equipment.

The Committee recommends that UGX 1.2 billion should be provided to Mulago National Referral Hospital to start kidney transplant.

Inadequate funds for maintenance of equipment

Due to the specialised nature of services offered by Mulago, it operates expensive and delicate diagnostic equipment which needs periodic maintenance and timely repair services. Some of the equipment is outside the warranty period. This necessitates funds for procurement of maintenance services but what is provided for is inadequate. A total of UGX 10 billion is available for this purpose but only UGX 3 billion is available, leaving a funding gap of UX 7 billion.

The Committee recommends that an additional UGX 3 billion be provided in the FY2023-2024 for maintenance of diagnostic equipment.

Under-funding for electricity bills

Mulago Hospital electricity consumption has been increasing due to new machinery and equipment installed to support numerous specialised services. For the next FY2023-2024, Mulago needs UGX 3,053,269,356 to clear electricity bill arrears. Currently 1.9 billion is allocated annually for electricity for both old and new Mulago, Interns hostel, nurses' hostel, and Mwana Mugimu Nutrition Centre. The monthly consumption is UGX 350 million which translates to UGX 4.2 billion annually. This leaves a funding gap of UGX 2.3 billion annually. In order to mitigate this cost, management is planning to install solar power and dedicate it for lighting (Interns and nurses hostels) at a cost of UGX 1 billion. However, this is not available in the budget for the next Financial Year.

The committee recommends that:

i) **Additional UGX 3 billion should be provided next FY 2023/24 to clear outstanding arrears.**
ii) **The Committee recommends that UGX 1 billion be provided in the FY2023-2024 for procurement and installation of a solar system.**

7.4.5 VOTE 320 MULAGO SPECIALISED WOMEN AND NEONATAL HOSPITAL

Inadequate funds for training of specialists

In the last two (2) financial years, MSWNH has trained five specialists (1 haematologist, 1 laboratory quality manager, 2 embryologists and 1 neonatologist). The available budget of UGX 380 million can only train two (2) specialists.

The Committee recommends that an additional UGX 380 million be provided to enable training of the much-needed human resource.

Lack of funds for purchase of LEEP Machine

Cancer of the cervix is the number one cause of cancer morbidity and mortality in Uganda. In order to detect early cancer of the cervix, the hospital uses a Colposcopy machine. However, there is need to procure a LEEP machine for early treatment of cancer of the cervix that is detected early. It would require UGX 90 million which is not available.

The Committee recommends that UGX 180 million be provided for procurement of two (2) LEEP machines in the FY2023-2024.

7.4.6 VOTE 402 BUTABIKA NATIONAL REFERRAL MENTAL HOSPITAL

Lack of funds for enhancement of salaries of mental health workers

The Committee observed that Butabika National Referral Mental Hospital has been unable to implement the new enhanced salaries for mental health workers and has arrears amounting to UGX 622 million.

The committee recommends that UGX 622 million be availed to clear of standing wage arrears in FY 2023/24

Inadequate budget for medicines and health supplies

The Committee observed that Butabika National Referral Mental Hospital has a budget shortfall of UGX 1 billion for medicines and health supplies; yet it is a highly specialised health facility, serving an ever increasing number of patients.

Although it has acquired a new laboratory, it is still faced with shortage of the requisite laboratory reagents due to underfunding.

The Committee recommends that UGX 1 billion be provided to bridge the funding gap for medicines and laboratory reagents next FY 2023/24.

Inadequate budget for uniforms and beddings

The Committee observed that the budget for the next financial year for beddings and uniforms caters for only 1,100 patients yet the health facility admits 6,762 patients annually, leading to a funding gap of UGX 2.387 billion.

The Committee recommends that UGX 1 billion be provided to Butabika National Referral Mental Hospital for uniforms and beddings.

Insufficient budget for food

The Committee observed that despite feeding over 313,390 patients annually at an average unit cost of UGX 6,187 for breakfast, lunch and supper; the budgetary provision for feeding is UGX 2.439 billion against a requirement of UGX 4.7 billion. The proposed budget of UGX 4.7 billion has been computed at a higher unit cost of UGX 15,000 for the 3 meals.

Given the increase in food prices, **the Committee recommends that an additional UGX 1 billion be provided to mitigate the shortfall in the feeding budget next FY 2023/24.**

7.4.7 VOTE 318 KAWEMPE NATIONAL REFERRAL HOSPITAL

Kawempe National Referral Hospital handles obstetrics and gynaecology all over the country. On average 60 to 100 deliveries are conducted per day and 27 C-section operations.

The Committee observed that overhaul of the hospital's plumbing system at a cost of UGX 1.863 billion is an unfunded priority. The health facility's drainage system requires urgent overhaul due to small pipes which were fitted during construction. Due to the nature of patients the hospital handles, there is frequent breakdown and blockages of the plumbing system, which poses a serious public health threat.

The Committee recommends that UGX 1 billion be provided for a total overhaul of the plumbing system and remodelling.

Inadequate funds for medicines and health supplies

The Committee observed that the budgetary provision of UGX 5.5 billion for the next financial year is inadequate to cater for the large number of patients served by the hospital. The hospital requires an additional UGX 1 billion for essential medicines and health supplies (EMHS).

The Committee recommends that an additional UGX 1 billion be provided for medicines and health supplies.

Lack of budget for equipment maintenance and extension of oxygen to wards

The Committee observed that no budgetary provision has been made for maintenance of medical equipment and extension of oxygen to all wards. The hospital piped oxygen only extends to special care units. The rest of the wars use fill cylinders which require continuous refilling, transportation and recollection when they are empty twice a day. This makes the process tedious

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and requires dedicated personnel to handle the entire process. The funding requirement is UGX 420 million.

The Committee recommends that UGX 420 million be provided to Kawempe Regional Referral Hospital to maintenance of equipment and extension of oxygen to wards.

Lack of funds for expansion

The Committee noted that the hospital, which is a 200-bed facility, sits on only one acre of land. This is too small for a national referral hospital and the high patient volumes have forced management to improvise and add more beds in the wards, resulting into congestion. The hospital requires UGX 10b to acquire land in the neighbourhood.

The Committee recommends that UGX 10bn is availed to Kawempe National Referral Hospital to acquire land in the immediate neighbourhood before it becomes more expensive.

7.4.8 VOTE 417: KIRUDDU NATIONAL REFERRAL HOSPITAL

Kiruddu Hospital handles 16 sub divisions of internal medicine such as pulmonary medicine, nephrology, burns and plastic surgery, Diabetology, Ophthalmology and ICU. Its staffing level is at 35.3%.

Inadequate funding to the burns and surgery Unit

The committee observed Kiruddu Hospital is the national referral centre for plastic surgery and management of burns. The patients under these two specialities require a lot of medicines, sundries, nutrition and intensive nursing care. However, the allocation is meagre.

The Committee recommends that UGX 1 billion be availed to mitigate the shortfall next FY 2023/24.

Lack of budget allocation for purchase of land

The Committee observed that Kiruddu hospital is a 9 storied facility which was built on a one acre piece of land originally accommodating a health centre four (HC IV). Currently, there is no space for infrastructure expansion. The Hospital has identified neighbouring land measuring up to 5 acres at a cost of UGX 5 billion. If not prioritised, there is a possible appreciation in value which may require a higher cost of acquisition.

The Committee recommends that UGX 5 billion be provided to Kiruddu National Referral Hospital for purchase of 5 acres of land.

Insufficient budget for medicines and health supplies

The Committee observed that the budget for medicines and health supplies is inadequate for a national referral hospital which handles general as well as specialised medical conditions like kidney complications and burns. Management of burns and plastic surgery requires a lot of consumables and medical sundries.

The Committee recommends that UGX 1 billion be provided to Kiruddu for medicines and health supplies.

Lack of funds for installation of solar system

The Committee observed that Kiruddu grapples with high bills for power to a tune of UGX 65 million monthly. The hospital plans to install a solar system at a cost of UGX 0.44 billion.

The Committee recommends that UGX 0.44 billion be provided to Kiruddu to install a solar system and reduce power costs by 40%.

Inadequate funds for decentralisation of dialysis services

The Committee observed that in the FY2022-2023, UGX 2 billon was allocated to scale up dialysis in the country by decentralising it to RRHs. This service was scaled up in Mbarara RRH and a new centre opened in Lira which is already functional and Hoima to be installed soon.

The Committee was informed that an extra UGX 4 billion is needed to roll out dialysis to three (3) more Regional Referral Hospitals (Arua, Kabale and Mbale). This money includes procurement of dialysis machines and consumables, staff training, support supervision, retooling and remodelling of some spaces.

The Committee recommends that UGX 4 billion be provided to Kiruddu to decentralise dialysis services.

7.4.9 VOTE 416 NAGURU NATIONAL REFERRAL HOSPITAL

Naguru National Referral Hospital currently handles both medical and surgical cases in the outpatient and in-patient departments but the long-term plan is to transition to a National Emergency and Trauma Centre.

Overhaul of the water piping system

The Committee was informed that Naguru water piping system was installed using metallic pipes which have since rusted, resulting into water leakage which has contributed to high bills. Currently, existing arrears amount to UGX

1.5 billion. In order to mitigate the leakage, there is need for an overhaul to replace the metallic pipes with plastic pipes at a cost of UGX 1 billion which is not available in the budget. The current allocation for utilities is UGX 60 million annually.

The Committee recommends that UGX 1 billion be provided to facilitate Naguru to overhaul the plumbing system.

Purchase of land for hospital expansion

Naguru Hospital is earmarked for expansion and transformation into a National Emergency and Trauma Centre. The Chinese Government to provide a grant for the expansion and requires to provide land. However, this requires adequate land which the current hospital does not have. The Committee was informed that land adjacent to the hospital equivalent to 4.5 acres has been identified at a cost of UGX 23 billion.

The Committee recommends that priority should be given to acquisition of this land and UGX 23 billion should be earmarked for this purpose.

7.4.10 VOTE 403 – 422 REGIONAL REFERRAL HOSPITALS (RRHs)

Understaffing

The Committee was informed that all the referral hospitals are lacking the requisite number of critical staff for health. Currently, there are vacant posts in the structures of the various RRHs, senior consultants (105), medical consultants (259), medical officer special grade (319). While for General Hospitals, there are 230 vacancies for medical officers special grade (MOSG). In order to bridge this gap, there is need for additional UGX 94.82 billion. Attached is a detailed breakdown by facility.

The Committee recommends that UGX 94.82 billion be provided annually in a phased manner beginning with UGX 30 billion next FY2023-2024.

Incomplete infrastructure in various RRHs

The Committee observed that most of the RRHs had taken the approach of building in a phased manner over three (3) financial years. However, some of these projects have dragged on into the sixth (6th) year. This is costly because it stifles much-needed service delivery and locks funds without productivity. These include a seven-storeyed staff block in Arua RRH, surgical complex in Mbale RRH, ICU in Masaka, 54-unit staff housing block in Gulu RRH, staff housing block in Naguru RRH and 32-unit staff housing block for Mbarara.

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The Committee observed that the budget for infrastructure development under RRHs has been cut by UGX 23.81 billion in FY2023-2024.

The Committee recommends that the UGX 23.81 billion be reinstated and allocated as follows: UGX 3 billion be allocated to Gulu RRH to complete the 54-unit staff housing block, UGX 500 million to Masaka RRH to complete remodelling of the ICU, UGX 6 billion to Mbale RRH for continuation of phased construction of the surgical complex, UGX 1 billion for Jinja RRH for renovation of staff houses and interns hostel, UGX 4.5 billion for Arua to complete 7-storey staff structure, UGX 4 billion for Fort Portal for staff houses, UGX 0.8 billion for rehabilitation of buildings in Lira, UGX 4 billion for Mbarara.

NATIONAL MEDICAL STORES

Inadequate Funding for Essential Medicines and Health Supplies

The Committee observed that there is persistent under-funding to National Medical Stores (NMS) for provision of essential medicines and health supplies (EMHS). Out of UGX 782.02 billion needed in the next financial year, NMS is projected to receive UGX 483.45 billion, leaving a funding gap of UGX 298.55 billion (see table below). The Committee was further informed that the General Military Hospital (GMS) has a budgetary shortfall amounting to UGX 2.9 billion to increase medicines and health supplies next FY. This gap will affect availability of medicines and supplies required for critical care and attainment of health outcomes as per the NDP III. This situation is worrying given that donors are reducing support towards the supply of anti-malarials, TB medicines, laboratory commodities and immunization supplies, among others.

Although most Non-Communicable Diseases (NCDs) can be detected in lower level health facilities, the Committee observed that most health facilities lack requisite basic diagnostic equipment for detecting them. Consequently, many such patients have ended up congesting the referral hospitals.

Funding gap for National Medical Stores (UGX, billion).

S/NO	Facility Level	NEED	Proposed	FUNDING GAP
1.	Health Centre IIs	27.34	11.16	16.18
2.	Health Centre IIIs	58.81	35.68	23.13
3.	Health Centre IVs	34.33	21.43	12.89
4.	General Hospitals	43.55	22.53	21.02
5.	Regional Referral Hospitals	32.10	22.18	9.92
6.	National Referral Hospitals	32.25	24.37	7.88
7.	Specialist Units & NCDs	76.65	44.10	32.55
8.	Emergencies & donated supplies	15.36	7.50	7.86
9.	Reproductive items & supplies	59.72	22.00	37.72

10.	Immunization supplies	33.96	29.00	4.96
11.	Laboratory commodities	105.38	61.00	44.38
12.	ARVs	181.95	150.89	31.06
13.	Anti-malarials (ACTs)	40.27	5.11	35.16
14.	TB medicines	20.25	7.00	13.25
15.	Wages	20.08	19.50	0.58
TOTAL		**782**	**483.45**	**298.55**

Source: NMS

The Committee recommends that;

(i) ***An additional UGX 87 billion be allocated to the National Medical Stores to enable the entity boost supplies of EMHS in the following order: laboratory reagents, ARVs, anti-malarials, TB medicines, immunization supplies, specialist units and NCDs, lower level health facilities, RRHs, NRHs and reproductive health commodities.***

(ii) ***National Medical Stores should be given an additional UGX 4Bn for procurement of a kit of glucometers, BP machines and thermometer for 3,000 health facilities across the country. Each facility is expected to receive 3 kits.***

(iii) **An additional UGX 2.9 billion be provided to the General Military Hospital (GMS) to enable it provide the required medical care as a regional referral hospital.**

7.5 COMMITTEE ON PHYSICAL INFRASTRUCTURE

7.5.1 VOTE 016: MINISTRY OF WORKS AND TRANSPORT
Road Maintenance Equipment for 16 New Districts

The Committee noted that critical roads in the new districts are in a deplorable state due to lack of maintenance and yet they are supposed to be boosters of economic growth. The Mother Districts have not been willing to share road equipment with the new districts and sometimes their equipment are also engaged for works in the mother district.

While UGX 55Bn was appropriated towards procurement of road maintenance equipment for the 16 newly created districts for maintenance of their road network in this FY 2022/23, only half the amount amounting to UGX 28.0 was released by MoFPED. The Committee was informed that the Ministry encountered a challenge due to the fact it cannot procure the equipment piecemeal.

The Committee therefore recommends that priority be geared towards providing the remaining balance of UGX 27.0Bn in order to enable procurement of the entire equipment.

Road Safety Interventions

The Committee takes note of the dire Road Safety situation in the Country. Over the last couple of years, the country has lost on average 10 lives per day due to road crashes. In last two years the average deaths have now increased to almost 12 persons per day. This is attributed to mainly three broad categories namely:- human error, condition of the vehicle and the environment.

Therefore Uganda needs to put in more deliberate efforts in the fight against road carnage given the growing vehicular and motorcycle traffic and mobility by the population meaning that without concerted efforts by Government, more lives are bound to be lost to road crashes.

In FY 2022/23 the Ministry budget for this item had a funding gap of UGX 30.6 billion after an allocation of only UGX 2billion out of the required UGX. 32.6 billion. The Ministry has been allocated only UGX 0.4Bn in the budget for the FY 2023/24 towards road safety.

Activities aimed at ensuring Road Safety in Uganda today must be treated as a matter of urgency and prioritized in the budget for the FY 2023/24.

The Committee was informed that due to inadequate funding the Ministry could not commit on outputs in the National Road Safety Action Plan. Seven key areas were highlighted (see table 13) which need to be funded in order for the National Road Safety Action Plan to be implemented.

Table 13: Key areas to be funded to implement the National Road Safety Action Plan

SN	Description	Amount (UGX BN)
1	Stepping up Road Safety Education and Awareness	10.0
2	Mandatory Motor vehicle inspection	37.88
3	Automated Driver Testing Processes Phase -1	1.0
4	Supporting research and road safety data management	0.5
5	Improving Regulation of road transport services	3.0

6	Capacity Building on Road Safety coordination and Management	0.5
7	Operationalisation of the Traffic and Road Safety Act 1998 (Amendment) Act 2020	10.0
	Total	62.88

The Committee therefore recommends an additional UGX 2Bn towards Stepping up Road Safety Education and Awareness, Supporting research and road safety data management (0.5Bn), Capacity Building on Road Safety coordination and Management (0.5Bn) and Operationalization of the Traffic and Road Safety Act 1998 (Amendment) Act 2020(2Bn).

Funding for Uganda Railways Corporation

The Committee noted that operational costs of URC amounting to UGX. 61.659 remain unfunded in the budget of FY2023/24. Effective operations of URC greatly contribute to a reduction in the pressure on the road infrastructure through carrying heavy cargo by rail and also eases traffic especially in Kampala through the operations of the Kayola Train.

Table 14: The funding gap is broken down as follows:

No.	Item Description	USD Mn.	UGX Bn.	Justification
1	Rehabilitation of 100 tank wagons (100 TANKS)	2.5	9.75	Demand for transportation of fuel by rail from Dar via Mwanza and from Kenya via Kisumu has increased. Only constraint is lack of fit tank wagons. Clients such as Stabex,
2	Recertification of Naluklongo Workshop to ISO 9001, 14000, and 18001 (NLK	1.6	6.24	The certifications on Quality, Environment, and Occupational Health and Safety are prerequisites for engaging in industrial production.

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No.	Item Description	USD Mn.	UGX Bn.	Justification
3	Rehabilitation of 300 wagons	6	23.4	URC has about 800 sick wagons and 500 fit wagons. To serve the strategically important southern route we need to increase wagon availability to at least 900 fit wagons to be able to carry the breakeven cargo of 35,000 tons. This work can be done over a two-year period.
4	Repair of 2nd breakdown crane (80 ton). (80T CRANE)	0.35	1.365	This 80-ton crane was left behind in a defective condition by RVR and is still grounded. For quick accident response, we need two operational cranes
5	Repatriation of 416 URC wagons from Kenya and Tanzania (416 WAGONS)	0.46	1.794	This figure includes purchase of some spares to fix on the wagons to be movable on top of paying Kenya Railways or TRC for transport costs from Kenya to Malaba and from Tanzania to Port Bell
6	Rehabilitation of 5 coaches.	0.6	2.34	Decongestion of traffic in Greater Kampala. The running fleet of 5 coaches is over congested. So we need to at least double the capacity.
7	Rehabilitation of 12 (twelve) shunting locomotives	2	7.8	Decongestion of traffic in Greater Kampala. The running fleet of 5 coaches is over congested. So we need to at least double the capacity.
8	Oil Safety equipment	0.35	1.365	The scope of works include spill-proof valves and oil spillage containment equipment in case of oil spill on a water mass such as L.Victoria.
9	Conversion and modification of 50 Wagons to carry bulk grain or into flat beds	1.5	5.85	Some covered wagons will be converted into flat beds to meet the high demand of containerised cargo. Also covered wagons will be modified to carry bulk grain for customers other than Grain Bulk Holdings Limited.

No.	Item Description	USD Mn.	UGX Bn.	Justification
10	Installation of Translogic upgrades and LCD monitor unit	0.45	1.755	Train command and control is centralised in Nairobi, Kenya. There is need to set up a mirror of the same in Kampala to enable line- visual monitoring and control.
	Total	**15.81**	**61.659**	

The Committee recommends that the UGX. 61.659 for operational costs of URC be provided for in the budget of FY2023/24 since railway transport has been prioritized by government.

Compensation of Project Affected Persons on the Standard Gauge Railway Project

The Committee was concerned that while Government is planning to secure funding for the construction of the standard gauge railway line, the funding for acquisition of right of way for the project remains under funded.

The SGR Right of Way (ROW) from Tororo to Kampala was gazetted in 2015 after which assessment and valuation of the property of Project Affected Persons (PAPS) started in 2016. The total land compensation cost estimate is UGX. 584.709Bn for 10,699 PAPs, total land size of 2,696 acres. By December 2022 UGX 99.382Bn had so far been paid to 4,269 PAPs and 1,306Acres acquired, leaving a total balance of UGX 247.32Bn

The Committee observed that SGR has been allocated only UGX 20Bn in the FY 2023/34 of which UGX 9.68Bn is for land compensation. The Committee noted that Government has planned to embark on the construction of the SGR and yet it has not yet acquired Right of Way.

The Committee therefore recommends that UGX 247.32Bn be provided to SGR as additional funding in the FY 2023/24 for compensation of PAPs and the balance be provided in the next FY to ensure smooth construction of the SGR.

Declining Budget for District, Urban and Community Access Roads (DUCAR)

The Committee observed that the DUCAR sub-programme under the Ministry of Works and Transport is the most affected by the reduction in the MTEF ceiling of GOU allocation to the Vote. Of the four (4) DUCAR projects, Rehabilitation of District roads project has been most affected by the reduced ceiling and now has a projected allocation of UGX 50 billion from UGX 191 billion as observed in table 15 below.

Table 15: Current and Proposed Budget for the DUCAR Sub program in MOWT

Project	Approved FY 2022/23 (UGX Bns)	Proj. FY 2023/24 (UGX Bns)	Change (UGX Bns)	% change
Recurrent	12.6	9.42	-3.18	-25%
Roads and Bridges	12.6	9.42	-3.2	-25%
Development	335.44	115	-220.4	-66%
Rural Bridges Infrastructure Development	26	14	-12.0	-46%
Community Roads Improvement Project	102	37	-65.0	-64%
Rehabilitation of District roads project	191	50	-141.0	-74%
Rehabilitation and Upgrading of Urban Roads project	16.44	14	-2.4	-15%
Total for DUCAR Sub sub Program	**348.04**	**124.42**	**-223.6**	**-64%**

Source: Integrated Transport Infrastructure and Services Programme BFP FY 2023/24 & PBO Computations

The Committee is concerned that many roads have been destroyed by the recent rains and floods, yet districts only receive money from the road fund for maintenance of roads. However, with the exception of the 27 Local Governments allocated funds directly under vote 609, other districts do not have money for road rehabilitation and the fund received through road fund are inadequate to cater for rehabilitation of roads. Consequently, the Ministry has been rehabilitating some roads in the country and a reduction of more than 60percent will affect service delivery in the various district urban and community access roads.

The budget for DUCAR for the FY 2023/24 has reduced by UGX 223.6Bn (64%) from UGX 348Bn in the FY 2022/23 to UGX 124.4Bn.

The Committee notes that DUCAR is an input programme into the Parish Development Model (PDM), reducing it would be against the successful implementation of the PDM.

The Committee therefore recommends that UGX 348.04Bn be maintained in the budget of the FY for 2023/24.

National Building Review Board

Under Sustainable Urbanization and Housing, the Ministry budget to the Public Structures Department and National Building Review Board (NBRB) is projected to decline from current budget UGX 11.8 billion for FY 2022/23 UGX 2 billion for the FY 2023/24.

The UGX 11.8Bn was for public structures department wage bill of UGX 1Bn and UGX 10.8Bn was for NBRB to cater for wages UGX 5.91Bn, Building Industry Management System (BIMS) UGX 1.42Bn and non-wage operations UGX 3.47Bn.

The Committee was concerned that the proposed allocation for the FY 2023/24 is not adequate to even meet the wage bill of the staff of the department of public structures and NBRB.

Table 16: Summary of funding gaps for NBRB

S/N	Item	Funding Gap (UGX Bn.)	Justification
1	Construction National Building Research Centre	5	5 extra billion would be required to complete the NBRBC. This would save on annual rent, provide sufficient space for laboratories and training facilities
2	Roll out of BIMS	2	This would be needed to purchase ICT equipment for most of the Local authorities. This would not only improve efficient and effectiveness, but would also lead to increased government revenue from Building operations through improved transparency, efficiency and effectiveness in management of building control fees.
3	Investigation tools	1	These are essential to improve the capacity of investigations and research.
4	Retooling NBRB (ICT equipment,	1.2	Currently, most staff use personal ICT equipment which exposes NBRB

	Furniture and Motor vehicles		and government to loss of data. The capacity of NBRB to undertake investigations, monitor building operations etc. is hindered by limited number of available motor vehicles. Currently the Board only has two field vehicles and it has planned to acquire more 2 vehicles this financial year
5	Wage	1.1	The current wage allocation only caters for 30% staffing levels of the NBRB. NBRB also needs to re-align its organizational structure to cater for priority staff such as Laboratory/Material testing staff.
6	Non wage	0.5	NBRB also requires extra 0.5Bn to cater for field work costs to monitor building activities, build capacity of building committees and build capacity of its staff in acquiring skills such as investigations and auditing that they would ideally not get in their professional (engineering related) training.
	Total	**10.7**	

The Committee recommends that UGX 10.7 be allocated to NBRB to address the funding gaps as listed in the table above

UGANDA CIVIL AVIATION AUTHORITY

Government Debts owed to Civil Aviation Authority

The Committee was informed that out of the Government debtors, only URA remit UGX 119.7 billion at the beginning of every financial year.

The Committee noted that the amount owed to CAA by MDAs is UGX 137.9billion. This is a huge amount and impacts greatly on the planned activities of CAA.

The Committee was informed that although the Ministry of Finance had engaged the various MDAs over clearance of their debts, non-compliance still prevails.

PEM HEA

7.5.3 VOTE 122 KAMPALA CITY COUNCIL AUTHORITY (KCCA)

Road Maintenance and Rehabilitation

The Committee was informed that Government of Uganda finances the maintenance of roads through the Uganda Road Fund. Over the last two financial years, road maintenance funding to the Road Sector has been reducing at an alarming rate. For example, the KCCA requirement for road maintenance per financial year is UGX 48Bn but in FY 2020/21, the approved budget was UGX 32.36Bn and KCCA only received UGX 24.63Bn in FY 2021/22, the approved budget was cut to UGX 26.35Bn and the actual amount received was UGX 9.82Bn.

The disbursement of road maintenance funds far less than the planned expenditure has left KCCA with huge debts to suppliers that delivered Fuel, Murram, Aggregates, Hardcore, Asphalt for an amount in excess of UGX 22Bn. This does not include unpaid invoices from statutory bodies like UMEME.

For this FY 2022/2023, KCCA approved budget is UGX 26.35Bn and six months into the FY, GOU through Uganda Road Fund has only disbursed UGX 4Bn to KCCA to finance Road Maintenance activities. These inadequate funds were equitably paid to creditors, but were a drop in the ocean.

The Committee was further informed that all KCCA creditors who are local Ugandan Suppliers have not been paid for services already rendered and some have advised that they can longer supply until they have been paid.

Further the Committee was informed that the budget for KCCA in the FY 2023/24 was maintained at 26.35Bn wheras their requirement is UGX 100Bn, leaving a funding gap of 73.65Bn. Most of the road network has outlived its design life hence the continued repair of potholes until funds are provided to reconstruct the old paved roads; vehicles operate on a road network of 60% of the traffic and heavy goods vehicles using the road network are overloaded.

The Committee observed the need to urgently address road maintenance under KCCA before the already deplorable state of roads gets out of hand and this goes in line with the attendant costs.

The Committee therefore recommends that Government allocates UGX 22Bn to cater for debts owed to service providers.

The Committee further recommends that Government provides UGX 73.65Bn under KCCA for rehabilitation and maintenance of City roads and the drainage.

The Committee therefore recommends that the Ministry of Finance deducts from the affected MDAs monies owed from their budget of FY 2023/24 and pays directly to CAA.

Uganda Airlines

In order for Uganda Airlines is improve its air transport connectivity and enhance competitiveness while optimizing return on investment, there is need for it to be adequately financed.

The Committee was informed of additional funding requirement under acquisition of two cargo freighters that are currently on lease and Ground Handling. Ground handling involves charges relating to handling the aircraft per turnaround at the different destinations including the hub in Entebbe.

Acquisition of the two cargo freighters budget for the FY 2023/24 is UGX 45,600,000,000 and the airline has allocation is UGX 38,988,100,281 from internally generated funds leaving a funding gap of UGX 6,611,899,719 while Ground Handling budget per day for the FY 2023/24 is 52,175,629,120; Uganda Airlines has allocated UGX 44,608,567,634 from its internally generated funds leaving a funding gap of UGX 7,565,061,486

The Committee notes that the internally generated funds are not adequate cater for the afore mentioned activities and therefore recommends that Uganda Airlines be allocated; UGX 6.611Bn to cater for acquisition of two cargo freighters and; UGX 7.565Bn for Ground Handling

7.5.2 VOTE 113: UGANDA NATIONAL ROADS AUTHORITY

Arrears to contractors

The Committee observed that as at 11th May, 2022 arrears stood at UGX. 573.3 Billion and with accruing interest of UGX. 235.6 million per day at a rate of 15% per annum. UNRA closed the FY 2021/22 with total arrears amounting to UGX 528.502 billion including UGX 89.574 billion under Road Maintenance. The arrears position has increased by 145.75% from UGX 215.059 billion at end of FY 2020/21 to UGX 528.502 billion at end of FY 2021/22. This was largely attributed to the budget suppression as only 76.7% of the approved GoU budget was released.

The Committee was informed that by December 2022 the arrears had increased to UGX 599 Bn and this translates to nugatory expenditure as interest of UGX 246.16 million per day arising from failure to pay.

The Committee recommends that Government prioritizes availing UNRA with UGX 599Bn to enable it pay arrears in order avoid further interest payments.

Kampala City Drainage Improvement

The Committee observed that there has been significant damage to the road network due to heavy rains and flooding within the various parts of the city which has led to huge potholes, gullies, damaged stone pitching, edge failures, broken culverts, rutting and cracks.

Localized repairs have become extremely expensive and uneconomical with roads breaking up in a short time after routine repairs. The dilapidated paved roads and sidewalks, unpaved shoulders and unpaved roads are also the sources of accidents, mud and dust that hovers over large sections the City.

The Committee was further informed that most of the drainage structures are inadequate for the current runoff as a result of rapid urbanization and increase in the built-up area. This is compounded by the widespread dumping of garbage in the drainage system by the general public, which makes the already repressed system less effective than it should be to the extent of significant inability to handle even low flows.

The Committee was informed that KCCA has put in place measures to ensure that the road network is well maintained throughout the year by ensuring that road maintenance emergency teams remain on duty to ensure that the roads are motorable and lit at night and drainage teams working on unblocking all roadside drains and the major drainage channels to allow easy flow of storm water to avoid floods.

KCCA required funding of UGX.150 billion for FY 2022/23 for this purpose. However, KCCA was allocated UGX.16 billion, leaving a funding gap of UGX.134 billion. The total GoU budget for KCCA in 2022/23 was 78.24 Bn, and the proposed budget for 2023/24 reduced by 87% to 10.0Bn to cater for both construction and drainage.

The Committee recommends that 16 billion for drainage improvement be maintained.

7.5.4 VOTE 012: MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Construction of Low-cost Housing for Ugandans

The Committee was informed that National Housing was started in 1964 and until 2005 it was 100% corporation owned by Government of Uganda (GOU).

In the year 2005, NHCC was divested into a private limited liability company with 49% shares of the Company to the Government of Libya under the privatization drive. As part of the divesture process, NHCC shares equivalent to USD 20.3 million were utilized to offset part GOU debt with Government of

Libya worth USD 95 million. The transaction was a debt swap without physical funds appropriated to NHCC. The rest of the debt was divested in the shares of Uganda Telecom Limited (UTL), LAB textiles as well as LAICO Hotel in Entebbe (Lake Victoria Hotel)

The USD 20.3 million translated to UGX 35.7 billion worth of Share capital in NHCC. At the point of privatization, the total share capital of the company was UGX 73.04 billion. However, there was no physical money that came to NHCC other than a paper debt swap.

The Company nevertheless continued operating with its assets and internally generated funds. Despite the funding challenges, Board and Management grew the company to UGX 609.2 billion as at June 2021.

On account of the company positioning and its potential contribution to the national economy, it was identified as the lead developer of housing and should be turned into a national construction company for the Government. Hence the resolution to acquire Government of Libya shares.

Therefore, in 2019 with the guidance of the board, a business valuation was undertaken to inform a divorce between the Government of Uganda and the Government of Libya. This valuation was undertaken by Price Waterhouse Coopers (PwC Uganda) where the UGX 609 billion of the net assets were ascertained. Apportioning the total assets of the company in accordance to the percentage shareholding structure, GOU UGX 310 billion while GOL 298 billion.

On the above basis, in conjunction of the company housing development strategy, immediate capital requirements worth UGX 250 billion were identified for immediate funding on annual basis.

The capital call of UGX 231billion was made wherein a proportionate equity capital injection from the shareholders was expected with the GOU requirement of UGX 118 billion and the Government of Libya UGX 113 billion.

GOU remitted UGX 30 billion which was paid in FY 21/22 leaving a balance of UGX 88 billion. Whereas the balance was budgeted in the FY 2022/23, it was affected by the budget cuts on capital development items hence, no allocation in the annual budget FY 2022/23.

The Committee observes that in order for NHCC to implement H. E the President's directives of providing affordable housing for public servants, the armed forces and the general public, there is need for Government to capitalize and fully acquire NHCCL.

The Committee was also informed that the Ministry of Defence and Veteran Affairs owes NHCCL UGX 55Bn which debt is affecting the operations of the corporation.

The Committee therefore recommends that;

i) **Capitalization balance of UGX 88Bn be paid to NHCC in the budget of the FY 2023/24.**
ii) **Government commits to full acquisition of NHCC.**

7.5.5 Vote 156 UGANDA LAND COMMISSION

Court Cases

The Committee was informed that although ULC budgeted for UGX 5.6 to cater for compensation of court cases in the next FY 2023/24, no allocation has been made.

The Committee noted the need for Government to prioritize settlement of court cases in order to avoid accrued interest.

The Committee therefore recommends that UGX 5.6Bn be allocated to ULC in the budget for the FY 2023/24 to cater for court compensations to clients of ULC.

7.6 COMMITTEE OF PUBLIC SERVICE AND LOCAL GOVERNMENT

7.6.1 VOTE 005: MINISTRY OF PUBLIC SERVICE COMMITTEE

Vehicles for former leaders (UGX 1.6bn)

The Committee observed that this is a statutory obligation in fulfilment of the provisions of the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010 and fell due in FY 2021/2022

The Committee recommends Government to provide UGX 1.6 bn to fulfill the statutory obligation under provisions of the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010 to avoid supplementary budget requests.

Induction of all newly recruited officers in MDAs and LGs (UGX 2.0Bn)

Induction is an opportunity for an Organisation to welcome their new recruit, help them settle in and ensure they have the knowledge and support they need to perform their role. For an employer, effective induction may also affect employee turnover, absenteeism and employer brand. The Committee was informed that Government through different MDAs recruited new officers who have not been inducted due to lack of funds. Additional UGX. 2.0 bn is required for the above exercise.

The Committee recommends Government to provide additional UGX. 2.0 bn to the Ministry of Public Service to enable them induct of all newly recruited officers in MDAs and LGs.

7.6.2 VOTE 146: PUBLIC SERVICE COMMISSION

Capacity gaps

The Committee noted that as a key actor, the Public Service Commission has made positive strides in ensuring that the Public Service acquires staff with key skills that are necessary to implement policies and programmes. The Committee further noted that the Commission has capacity gaps in terms of staff and tools/equipment as well as skills in some areas such as managing and developing of Test Instruments. There is therefore, need for additional funds to recruit more staff, acquire equipment/tools and training of members and technical staff to acquire relevant skills and knowledge.

The Committee recommends additional UGX. 650 million to enable the Commission build the capacity for Commission to meet the current challenges.

ICT infrastructure, retooling and Maintenance

The Committee observed that the Commission is operation with obsolete computers for both members and staff. The ICT infrastructure needs complete upgrade to digitize the Commission's minutes and support the E-recruiting. The requirement for above is UGX. 638 million which not been provided for in the current BFP for Commission for the FY 2023/24.

The Committee recommends that Ministry of Finance, Planning and Economic Development should provide UGX. 638 million to enable the Commission upgrade its ICT infrastructure to support the E-recruitment

PEM HEA

7.6.3 VOTE 011 MINISTRY OF LOCAL GOVERNMENTS

Inadequate resources to conduct comprehensive induction of Political Leader in the Local Governments

The Committee observed that one of the greatest detriments to service delivery and productivity in the Local Governments has been the failure by the political leaders in performing their duties especially supervision of staff and monitoring of Government programmes and projects at these lower governments. The Ministry of Local Government has presented a cure to this in the form of sufficient induction of these LG leaders at the Districts, Municipalities and Cities. The PS/ST in a letter dated 20th December, 2022 to the Permanent Secretary Ministry of Local Government acknowledged the need to for the induction of the Local Government leaders and advised the Ministry to re-schedule the induction for the FY 2023/23 (herewith attached). The Committee further noted that the Ministry budgeted for UGX. 16.348bn to cater for this exercise. This however was not been given an allocation in the MTEF for the FY2023/24.

The Committee recommends that Government allocates UGX. 16.348bn to the Ministry of Local Government to cater for the induction of Political Leaders in the Local Governments

Start up for 10 new Districts which were replaced by the 10 Cities for the construction of their new office headquarters over medium term

The Committee noted that a number of Local Governments do not have office accommodation due to dwindling local resources and the LGs are unable to address the office accommodation challenge. This is replaces by the 10 newly created Cities. The Ministry of Local Government Non-Wage budget is inadequate in the view of the expanding mandate of newly created Cities. At the time of separation from the mother units, most of these recently created units do not receive these facilities and as such some are forced to resort to the use of dilapidated Government buildings while in other instances forced to rent office space which is quite costly and affects budgeting and service delivery. The Ministry of Local Government quoted UGX. 10bn to construct office blocks for the 10 displaced Districts. This has however not been given an allocation in the MTEF for the FY2023/24.

The Committee recommends that the Government avails UGX. 10bn for the construction of office blocks for the startup for 10 new Districts which were replaced by the 10 Cities for the construction of their new

office headquarters over medium term. This is envisioned to improve productivity of staff as well as increasing value for money.

Physical planning for the 10 Cities and the 31 Municipalities

The Committee observes the 10 cities and the 31 municipalities countrywide comprise a wide range of largely rural and informal neighborhoods, also known as slums. Settlement patterns and land uses are completely mixed and sometimes it is difficult to separate the land uses, if both formal and informal activities. This was mainly due to lack of physical planning for the cities and the municipalities. Physical Planning is not only a function but also possibly the main element, under any land tenure system, which enables governments, different communities and individuals to determine in advance the direction and rate of progress of all land sector activities. In the next FY 2023/24, the Ministry intends to intend to carry physical planning for the 10 Cities and the 31 Municipalities however there is a shortfall of UGX. 8.2bn for the exercise.

The Committee therefore recommends that Government allocates UGX. 8.2bn to the Ministry of Local Government to carry the physical planning for 10 Cities and the 31 Municipalities.

7.6.4 VOTE: 147 LOCAL GOVERNMENT FINANCE COMMISSION

Integrated Revenue Administration System (IRAS)

The Committee commends government efforts through the Local Government Finance Commission for the progress made towards automation of local revenue collection through the gradual roll out of the Integrated Revenue Administration System (IRAS) to 64 local governments. Through these efforts, the Committee noted that there are reduced revenue leakages and LGs revenue collections improve tremendously as illustrated in the table 27 below. For example, IRAS revenue collection for Nansana Municipality increased from UGX 2 billion in FY2019/20 to UGX 5.4 billion in FY 2021-22 (up to May) and Zombo collected UGX 1.091 billion in FY 2021/22 compared to only UGX 191 million in 2019/20 and increase of 471.2% as highlighted in the table 17 below. Despite the achievements being realized because of automation, in FY2023/24 government plans to roll out the IRAS to only 40 more LG Votes which will bring the total automated number of Votes to 104. However, government requires UGX 13.988 billion at a unit cost of UGX 269 million to fully enroll the remaining 56 votes after considering the 60 votes to cater for under Resource Enhancement and Accountability Program. Secondly, the LGFC is also in the process of introducing e-valuation system for property taxation which will efficiently generate revenue for service delivery.

Table 17: Revenue collections

Name of LG	FY2020/21 Actual	FY2021/22 Actual
Arua City	961,668,815	3,000,909,908
Fort Portal City	1,251,658,818	2,165,314,038
Mbarara City	3,431,510,475	5,460,000,000
Masaka City	1,185,818,210	2,001,404,389
Entebbe MC	1,798,448,405	2,282,136,323
Nansana MC	4,200,000,000	5,400,000,000
Mubende MC	793,842,265	1,155,709,235
Zombo District	898,251,819	1,091,251,000
Adjumani District	610,677,238	898,251,819
Yumbe District	891,210,000	1,046,000,000

Source: Local Government Finance Commission

If all the local governments are roll out on IRAS and Property rates and markets are uploaded on IRAS, these being highest feasible local revenue sources, it means from the current aggregate collection of UGX 256 billion for all local governments, the projection is at UGX. 1 trillion in the next two years.

The Committee recommends Government should fast track and support the rollout of the Integrated Revenue Administration System (IRAS) to 64 remaining Local Governments with adequate financing to reach all votes in LGs to ensure efficient generation of revenue Additional UGX. 13.988 bn to Local Government Finance Commission.

Additional staff for the Commission

The Committee was informed that in 2016 Cabinet approved a new structure for the Commission which increased the establishment from 48 to 64 positions to enhance performance with a wage implication of UGX 2, 155,651,760 revised from the current UGX1, 618Bn. To date the cabinet decisions have not been implemented which hinders the Commission from responding to the mandate occasioned by increased workload as a result of more local Governments and ten new Cities.

The Committee recommends Government to provide additional UGX. 1.42 billion for the Commission to recruit additional staff to respond to the increased work load.

Additional Non-wage

The Committee observed that the change in wage will imply change Non-Wage for gratuity and NSSF creating a budget requirement of UGX 0.680bn

The Committee recommends Government to provide additional UGX. 1.42bn for the Commission to cater for the non-wage to cater for gratuity and NSSF

Construction of the new sub-counties headquarters

The Ministry of Local Government Non-Wage budget is inadequate in the view of the expanding mandate of new lower local governments. The Committee further observed that most of the newly Sub Counties are faced with a challenge of office space to accommodate their staff. The Ministry of Local Government quoted **Shs. 21** bn to construct office blocks for the new sub-counties however it has not been included in the budget for the FY 2023/24.

The Committee recommends that the Government avails Shs. 21 bn for the construction of office blocks for the newly created Sub Counties. This is envisioned to improve productivity of staff as well as increasing value for money.

7.7 COMMITTEE ON INFORMATION COMMUNICATION TECHNOLOGY & NATIONAL GUIDANCE

7.7.1 VOTE 020: MINISTRY OF ICT& NATIONAL GUIDANCE

Gross underfunding of the Digital Transformation Programme

Whereas the digital transformation programme is one of the three key priority areas of focus for government under the NDP III and is fundamental in the realization of economic and social transformation in improving service delivery, creating opportunities for youth employment and strengthening domestic revenue, it remains grossly underfunded. This is worsened with the subjection of the meager allocation given to the Ministry to budget cuts leaving the ICT sector with literally no resources to undertake activities under the programme.

The Committee also notes and decries the failure by the MoFPED to release funds appropriated by Parliament for the FY2022/23 for the programme which has further affected the already poor performance of the sector.

For the FY 2023/24, the Ministry of ICT& National Guidance has indicated a shortfall of UGX 4.92 bn in the most critical areas of Digital Transformation Programme. This deficit relates to operational cost under finance and administration (UGX. 0.62bn), e-government systems (funds to innovators) (UGX. 2.8bn), centralized media buying services (UGX. 1.0bn) and other contractual obligations.

The Committee recommends that;

i) **Government allocates UGX. 4.920bn to the Ministry of ICT& National Guidance to boost the Digital Transformation Programme.**
ii) **Parliament reigns in on Ministry of Finance Planning and Economic Development to always make releases of appropriations made by the institution as is dictated by Law.**

UGANDA BROADCASTING CORPORATION

Digital Transformation programme (DTP)

UBC intends to expand the Digital Terrestrial Television and Radio Broadcasting network; Digitize, archive and commercialize Local Content and data by acquiring equipment for additional Digital Terrestrial Transmission (DTT), upgrade the existing Television and Radio transmission sites to ensure redundancy, establish regional television channels, build additional four television and seven radio studios, establish archiving systems and Digital repository infrastructural for MDAs and LGs, and establishment of a regional centre to get additional information.

They also intend to expand the Digital Terrestrial Television and Radio Broadcasting network across Uganda which will increase the number of citizens accessing information through television and Radio on the achievements of government development programmes like the Parish Development Model and Local Economic Development (LED), and thus promote access to timely and reliable information.

UBC requires UGX. 66.6bn to implement the above interventions and the failure to avail these funds will affect the Corporation's ability to carry out its mandatory obligations of universal free to air carriage, a role through the SIGNET network, and also be unable to; achieve the 95% Signal Coverage in the country, expand the Digital terrestrial television and Radio Broadcasting Network, upgrade the existing DTT and radio transmission sites to ensure redundancy and provide local regional program stream insertions.

The Committee recommends that Government allocates UGX.5bn to UBC to expand the Digital Transformation Programme.

Public Sector Transformation (PST)

UBC intends toimprove access to timely, accurate and comprehensible public information by implementing numerous interventions including: collection, packaging, translation and broadcasting of the Parish model implementation content to various local languages on Radio and TV, social media, and other communications media (Program and disseminate parish model developed content); translation into selected languages and broadcasting of digital content data on NDP III Planning, Implementation, and performance monitoring and evaluation by various MDAs activities through documentaries, feature stories, talk shows, and promotion materials; The Corporation further intends to undertake periodic monitoring and evaluation of implementation of the MER strategy for UBC and MDAs content development, broadcasting, promotion, and preservation activities.

The Corporation forecasts that the above interventions will improve access to timely, accurate and comprehensible public information by MDAs, LGs, and the general public and requires UGX. 13.47bn to undertake these initiatives.

The Committee recommends that Government allocates UGX. 3bn to UBC for the public sector transformation.

Annual wage deficit

Starting FY 2018/19 Uganda Broadcasting Corporation starting received a wage budget of UGX. 3.788bn from the Ministry of Finance, Planning and Economic Development as payment for part of the staff. The funds were included in the MTEF of the ministry and continue to be paid to date. In the same year, the Corporation received a recurrent budget of UGX. 12.000bnfor its MTEF. This was to be received as a subvention from the MoICT & NG to UBC to cover the remaining part of the wage, and other recurrent expenditures. That sum was being received by the Corporation until FY 2022/23 when the releases to the corporation reduced.

This has left the Corporation unable to pay the staff, and has resorted to paying them from the internally generated revenue (NTR), a source that is unreliable for such a crucial item. As such, the staff paid by the Corporation barely receive their salaries in time due to the untimely collections of the internally generated funds.

The Corporation therefore, requests that UGX 6.523bn be provided for in the next financial year 2023/24 and the MTEF as wage for UBC, and if possible, be paid through the MoICT & NG to enable timely payment of the Corporation staff salaries and the associated benefits.

The Committee recommends that Government allocates UGX 6.523bn to UBC for enhancement of the wage bill. This payment, the Committee further recommends be paid through the Ministry of ICT& National Guidance.

UGANDA INSTITUTE OF INFORMATION COMMUNICATION TECHNOLOGY

Continued funding for Government Sponsored Students

UICT is an accredited Government Institution that provides market driven and skills-based middle-level ICT training diploma courses which are key to facilitating students in acquiring competencies in utilization of Government Services, undertaking ICT driven business and job creation

UICT was in the FY 2022/23 taken on for the Joint Admission Board (JAB) by Ministry of Education and Sports and in the FY 2023/24 will have a total of 1,200 students (600 admitted in FY 2023/24 AND 600 continuing students for FY 2022/23) for Government Sponsorship supported with Teaching, Learning, Specialized Skilling, Upkeep, Accommodation, and Industrial Training. The institution requires UGX. 5.67bn for the maintenance and sustenance of these Government sponsored students at the institution.

The Committee recommends that the requisite UGX. 5.670bn is allocated to UICT to cater for the 1200 Government sponsored students in the institution for the FY 2023/24.

Enhancement of infrastructure capacity for ICT skills Development

UICT seeks to develop ICT centres of excellence and vocational institutions by commissioning specialized ICT training infrastructure. This will enhance the infrastructure capacity of the institute to support specialized ICT training, ICT labs upgrade, enhance the infrastructure capacity of the institute to support specialized ICT training, equipping of lecture rooms with smart technology, supporting establishment of basic environment/readiness for commercialization of research and teaching/learning. They also seek to address the human resource and skills gap which presently is at 70% to deliver on the Strategic Plan/ Master plan. Specifically, the institution plans to upgrade one (1) ICT laboratory, set up a lecture room(s) equipped with smart technology, and one (1) indigenous knowledge product commercialized. UICT requires UGX 2.40bn for the above intervention.

The Committee recommends that Government allocates UGX 2.4bn towards ICT skills development and initiatives.

7.7.2 VOTE 126: NATIONAL INFORMATION TECHNOLOGY AUTHORITY

Enhancement of the National Data Center

NITA-U is currently hosting 238 Critical Government applications for 99 MDAs. The establishment of the National Data Centre and Disaster Recovery (DR) sites was to consolidate all Government hosting requirements to eliminate the duplications and wastage of resources.

The increasing automation of Government services by the MDAs over the COVID-19 period and post COVID-19 period triggered an increase in demand for hosting services in the National Data Centre and the Disaster Recovery (DR) site resulting into over utilization of Data Centre resources such as storage and compute.

Therefore, the provision of these resources will enable the enhancement of the National Data Centre and the Disaster Recovery Site to host more Government applications and system. The enhancement will cover the Data Centre Upgrade to a tune of UGX 9.185Bn, Data Centre licenses and vendor support to a tune of UGX 6.464Bn, maintenance and support (Power, fuel for Generators, Cooling, and support contracts) to a tune of UGX 4.350Bn. NITA-U requires UGX 20bn to enhance the National Data Centre.

The committee recommends that UGX. 8bn is allocated to NITA-U for the enhancement of the National Data Centre.

Provision of ICT services to additional 781 sites connected

Government through the MOFPED has over the years from FY2016/17, consolidated ICT to a tune of UGX 15.287bn under NITA-U for the provision of services to MDAs, the number of sites connected and the demand for the services such as Internet Bandwidth, Data Centers hosting services, and software licenses etc.

However, with the additional seven hundred eighty one (781) sites (MDA/LGs, Hospitals, schools and tertiary institution) that are connected under the last mile project, NITA-U will require an additional consolidation of UGX 26.7bn to cater for service provision for these sites connected to the National Data Transmission Backbone Infrastructure (NBI) and to also avoid the accumulation of arrears.

The Committee recommends that UGX. 26.7bn is allocated to NITA-U for the provision of ICT services to additional seven hundred eighty one (700) sites connected in phased manner beginning with 9bn in the FY 2023/24.

7.8 COMMITTEE ON PRESIDENTIAL AFFAIRS

7.8.1 VOTE 001-OFFICE OF THE PRESIDENT

Non-funding for Investiture Ceremonies and Patriotism activities
The Ministry of Finance, Planning and Economic Development in the 1st Budget Call Circular communicated the Medium Term Expenditure Framework (MTEF) along the Programmes. Well as the Community Mobilisation and Mind set Change Programme had a budget of UGX 75 billion in FY 2022/23 of which Shs 9.1 Bn was for activities under the Office of the President, only Shs 22 Bn was communicated for the Programme. The Shs 22 Bn was consequently taken over to cover activities under the Ministry of Gender, Labour and Social Development which is the Programme lead Agency. Hence for the FY 2023/24 Office of the President has no funds to conduct Investiture Ceremonies as well as Patriotism activities. The implication of this is that, some staff will be rendered redundant.

The Committee recommends re-instatement of UGX 9.1 Bn in the Vote MTEF to enable the Entity organize the Investiture Ceremonies and also carry out Patriotism activities.

Lack of funding for 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 over a ten years period.

However, to-date funds for the Project to cater for operational costs and coordination activities under the Ministry of Security remain un-provided.

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

The Committee therefore recommends that UGX 1.5 bn be allocated to Vote 001 for activities of Project Monitoring Team during implementation of the Intelligent Transport Monitoring System to reduce crime and improve security in the FY 2023/24 to the medium term.

Procurement of Medals for Awards

The Committee was informed that, the stock of medals in form of "Most Excellent Order of the Pearl of Arica", "Distinguished Order of the Pearl of

Africa" has run out. These are Honors bestowed on visiting Heads of States and Government and therefore pose a risk in failure to decorate an invited head of State with the appropriate National Honor.

The Committee observes that, lack of medals for awards to the visiting Heads of State and Government puts H.E the President to untold embarrassment

The Committee established that, the Ushs. 4.23bn required to procure the said medals is not provided for in the MTEF ceiling for office of the President.

The Committee recommends that, Ushs. 4.23bn be provided to Vote 001, Office of the President to facilitate investiture ceremonies and procurement of medals for awards.

Facilitation for recruited Presidential Advisors

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

The Committee made reference to Article 171 of the Constitution of the Republic of Uganda that provides for "Establishment of Offices". Article 171 provides that, "Subject to the provisions of this Constitution and any Act of Parliament, the President may, after consultation with the appropriate service commission, establish offices in the public service of the Government of Uganda". Article 175 (a) defines "Public Officer" as any person holding or acting in an office in the public service; public service" as service in any civil capacity of the Government the emoluments for which are payable directly from the Consolidated Fund or directly out of monies provided by Parliament. It is the Committee finding that, Presidential Advisors are Public Officers in the structure of Office of the President and by virtue of their appointment, are entitled to emoluments.

The Committee was informed that Office of the President requires Ushs. 8.3 bn to facilitate the Presidential Advisors in form of Office rent and allowances but only UGX 3.2bn indicative allocation in the MTEF ceiling of Vote 001, resulting into a funding gap of UGX 5.1 bn.

The Committee recommends that, UGX 5.1bn be provided to Vote 001, Office of the President to facilitate the appointed Presidential advisors in form of procurement of vehicles and other operations.

Continuous capacity building for members of Cabinet & the Permanent Secretaries

The Committee was cognizant of the fact that the Members of Cabinet and the Permanent Secretaries keep on being reshuffled from time to time, which calls

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for regular capacity building programmes for the two teams. That notwithstanding the fact that they are at the apex of setting the strategic direction for the country at policy making level and execution, it is prudent that their capacity is not at any one time questioned or left wanting especially in this ever changing global tide.

The Committee identified the need for continuous and regular capacity building for the two categories preferably on a bi-annual basis so that they are adequately empowered to execute their mandate effectively and efficiently.
The Committee observes the Office of the President requires additional UGX 1.3 bn to implement continuous capacity building for cabinet members and Permanent Secretaries.

The Committee therefore recommends that UGX 1.3 bn be allocated to Vote 001 to facilitate bi-annual capacity building of members of cabinet and Permanent Secretaries in the FY 2023/24.

Revitalization of the Office of the Head of Public Service

Office of the President required UGX 10.7bn in a bid to strengthen the Office of the Head of Public Service. However, only UGX 4.2bn was granted as a supplementary leaving a funding Gap of UGX 6.5bn. Given the recurrent nature of this activity, it is important that all the required funds are provided in the MTEF for FY 2023/24.

Inadequate Office Accommodation for the RDCs
The Committee was informed that, Office of the President has deployed RDCs in 146 administrative units. The Committee established that, 107 are accommodated in rented premises, 24 are housed by District Local Governments while 15 are accommodated in offices constructed by Office of the President. Office of the President has constructed RDC Offices in the Districts of Lamwo, Abim, Amuru, Kiryandongo, Kamuli, Buhweju, Bundibugyo, Lwengo, Rubirizi, Butaleja, Adjumani, Butambala, Otuke and Luuka at the unit cost of Ushs. 0.70bn with One Office construction in each Financial Year.

The Committee also established that, the rental fees being charged for office accommodation stand at Ushs. 1.4 Bn and have been increasing year in-year out, therefore becoming unsustainable. It is the Committee finding that, Ushs. 0.70 Bn is the indicative allocation for the construction of the RDC Office in FY2023/24 in Nakapiripirit District.

The Committee observes that, with only Ushs. 0.7 Bn allocation to construct one RDCs Office in each Financial Year, it will take Government of Uganda more than 100 Financial Years to address the challenge of Office accommodation for the RDCs and this will be a long term intervention.

It is the opinion of the Committee that, Office accommodations for RDCs is considered a critical activity and have 20 offices constructed in the FY 2023/24 and thereafter maintain the allocation to the medium term.

The Committee recommends that additional UGX 7 Bn be availed annually to Vote 001 to enable the Office of the President construct 20 Offices each Financial Year so as to mitigate the challenge of Office accommodation of RDCs in the medium term.

Maintenance of Structures at National Leadership Institute (NALI)

The Committee established that, Government of Uganda spent UGX 7.9bn to construct accommodation facilities at the National Leadership Institute at Kyankwanzi and that the structure was completed hence inaugurated by H.E the President of Uganda.

The Committee was informed that, to maintain facilities and extend their life time, NALI requires UGX 5 bn for the medium term.

The Committee analysed the planned activities and considers Ushs. 2.0bn adequate to maintain the facility, including refurbishing the male wing.

The Committee therefore recommends that Ushs. 2.0bn be allocated to Vote 001 for facilitate NALI refurbish and maintain the facility.

Facilitation of Resident District Commissioners

The Office of the President is mandated to among others to; mobilise the population towards achieving social and economic development, transformation and prosperity for all. This Office plays an active role through the RDCs to sensitize and mobilize masses towards socio-economic transformation. This necessitated that Office of the President to provide an enabling environment to enable them deliver on their mandates. As such, UGX 4.5bn is required to improve on their facilitation.

The Committee therefore recommends that UGX 4.5bn be allocated for Facilitation of Resident District Commissioners

7.8.2 VOTE 158: INTERNAL SECURITY ORGANISATION

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.

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Information provided to the Committee, quoting the national intelligence estimates indicate that the threat levels in the Country have increased. These threats are in form of organized crime, cyber-crime, and incidents of livestock raids in Karamoja sub-region and neigbouring districts, cross border incursions, terrorism, negative foreign influence and corruption in MDAs, environmental stress and threats to the Oil and Gas Industry.

To contain the increasing threats, ISO has initiated a number of strategies and these include expansion of operational networks and centers Countrywide through strengthening of foundation security in Kampala Metropolitan areas, Urban centers Countrywide, increased coverage at regional, districts, borders, Cities, Counties, Municipalities, Refugee Settlement Camps, Sub-Counties/Town Councils and Parishes.

The Committee observes that implementation of the identified interventions aimed at mitigating the said threats, requires UGX 126.40bn but only UGX. 66.50bn is provided in the MTEF ceiling of Vote 158 resulting into a funding gap of UGX 59.9 bn.

The Committee recommends that Government considers provision of additional UGX. 20bn to enable ISO enhance facilitation to Internal Intelligence collection.

Enhancement of Technical Infrastructure

The collection of evidence-based intelligence continues to be undermined due to lack of vital technical infrastructure. The Committee was informed that, the technical capacity of ISO remains underdeveloped yet the current cyber threats or crime require classified offensive-intrusive capabilities digital forensic capabilities, social-media profiling and data mining and an expanded covert cloud infrastructure to support data exfiltration and onsite management.

The Committee established that, ISO also requires surveillance equipment to support HUMINT like unnamed Aerial vehicles, precision cameras, thermal cameras, tactical signal interception systems, signal receivers, analyzers and direction finders among others.

The Committee observes that UGX. 58.52bn is desired to procure the much needed technical equipment but only UGX. 1.45bn is indicative allocation for FY 2023/24 resulting into a funding gap of UGX. 55.04 bn. The Committee is cognizant of the fact that issues relating to security are dynamic in nature and the concerned organization should be in possession of the technical equipment to collect intelligence that is fit for the purpose at all times.

The Committee recommends that Government provides the UGX. 3.55 bn to enable ISO procure the much needed technical equipment for effective and efficient delivery of the mandate bestowed on them.

7.8.3 VOTE 159: EXTERNAL SECURITY ORGANISATION

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. 1.003bn is provided within the MTEF ceiling of Vote 159 resulting into a funding gap of UGX. 28.883 bn.

The Committee observes that, the identified funding gap of retooling of ESO constrains the Organization ability to address the ever-changing environment where the new intelligence threats call for immediate responses. This necessitates enhanced technical capability in form of acquisition of modern technical and transport equipment as well as classified assorted assets for foreign missions and strategic deployments.

The Committee recommends that the funding gap of UGX. 5bn be provided to enable ESO acquire the modern technical and transport equipment as well as classified assorted assets.

Budget Enhancement to Administration and Finance

The Committee was informed the need to improve the welfare of staff in form of payment of salaries, pension, medical care, feeding and transport among others. The Committee identified that ESO requires UGX 38.998bn to undertake these interventions but only UGX 22.817bn is provided in the MTEF ceiling resulting into a funding gap of UGX 16.171 bn.

The Committee recommends that the funding gap of UGX. 6bn be provided to enable ESO effectively execute its mandate.

7.8.4 VOTE 167 – SCIENCE, TECHNOLOGY AND INNOVATIONS

Lack of Budget Provision to Pathogen Economy Projects

Pathogen Economy is the making, selling and use of goods and services related to the prevention, control and treatment of damage due to pathogens. The Pathogen Economy (PE) was established to mobilize scientists to produce local response tools to COVID-19 and other epidemics in the areas of vaccines, diagnostics and therapeutics.

The PE scope includes research, development, technology transfer, and commercialization of innovations targeting pathogen control and management such as vaccines, diagnostics, and therapeutics and the attendant equipment (VDTE) for plant, animal and human health.

The Pathogen Economy revolves around four core strategic plan pillars of Mind-set change for the TEAM players in the ECOSYSTEM; Setting up end-to-end platforms, Research and Development (R&D) to Production lines; Establishment of a Foundry for Human Capital Development for science and administration and Building a strong database to guide in planning and interventions.

The Committee has established that, the Pathogen Economy has made a number of strides ranging from research and development, setting up of central research facilities, conducting pre-clinical and clinical trials, among others. Some of the achievements include but are not limited to; supporting research and development that has led to 4 prototype diagnostic kits ready for independent validation and mass testing and 2 kits have reached commercialization phase; operationalizing the Clinical Trials Platform for Natural products (CoNAT); supporting the completion of one floor of a research building at Busitema University; Vitamin D level testing in the population tested which is at 100% completion, awaiting cytokine, PTH and D dimer analyzes to guide the dosing and supporting the Notification of TazCov Herbal syrup for COVID-19 and Acute Respiratory Infections by Busitema University by the National Drug Authority (NDA) awaiting clinical trials, among others.

It is worth noting that all the work of the Pathogen Economy is aimed at commercialization, and currently, the overall research and development progress is at about 70% for some of the diagnostics, therapeutics and vaccines. Since most of the projects have not attained their ultimate end of commercialization, funds are needed to be able to achieve the goal.

The Committee observes with concern that the Budget cut on STI from UGX. 254.85 bn appropriated in FY 2022/23 to UGX. 52.0 bn indicative allocation in the FY 2023/24, specifically the UGX. 30.0 bn that had been earmarked for the Pathogen Economy implies that the Pathogen Economy is among the many STI Projects that have not attracted any funds. This will make the Projects under this Pathogen Economy stall at their different levels of development and can result into deterrence to further R & D.

The Committee recommends that UGX. 30.0 bn be provided to Vote 167 to enable STI facilitate Development and Commercialization of Human Vaccines (UGX. 8.0 bn), Animal Vaccines (UGX. 10.0 bn), Human, Animal and Plant Diagnostic Kits Commercialization (3.0 bn). Therapeutics Development and Commercialization (UGX.bn) and Human Capital Development (UGX. 2.0 bn)

7.8.5 VOTE 023 – MINISTRY OF KAMPALA CAPITAL CITY AND METROPOLITAN AFFAIRS (KCCA & MA)

Policy, Planning and Budgeting Services

The Ministry of Kampala Capital City and Metropolitan Affairs plans to coordinate the implementation of the Greater Kampala Metropolitan Economic Strategy, strengthen expenditure tracking, inspection and accountability on green growth and offer policy guidance to KCCA as well as the Greater Kampala Metropolitan area.

To undertake these critical interventions, the Ministry of Kampala Capital City and Metropolitan Affairs requires UGX12.24bn but only UGX 1.28bn is indicative allocation with the MTEF ceiling resulting into a funding gap of UGX 10.96 bn.

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

The Committee recommends that Government enhances the budget allocation in the medium term and have UGX. 1.72bn provided to the Ministry of Kampala Capital City and Metropolitan Affairs, to facilitate implementation of activities that result into a befitting City.

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 2.5 Bn be allocated towards undertaking critical feasibility studies on slum upgrading for the FY 2023/24.

7.8.6 VOTE 122 – KAMPALA CAPITAL CITY AUTHORITY (KCCA)

Short fall in MTEF allocation for KCCA provision of Integrated Transport Infrastructure

The Committee was informed that, KCCA currently has a need to repair and maintain critical road and related infrastructure in the city as well as create linkages of this infrastructure to the greater Kampala Metropolitan network. Thus there is need for funds for ongoing road and drainage improvements, compensation for minor road access, and other road construction related expenses such as to the tune of UGX 78Bn in the FY 2023/24. However the Committee notes that as per the MTEF, UGX 10Bn has been allocated to cover these infrastructure needs leading to a funding gap of UGX 68BN. The allocation is as follows;

Table 18: Funding gap-infrastructure needs

Activity	Cost Deficit (Bn)
Road and Drainage improvements, compensation for minor road access	51
Maintenance and repairs of street lights	4.1
Road construction engineering design and consultancy	4.6
Repairs and maintenance of road equipment including garbage trucks	2.6
Procurement of heavy road equipment &10 Garbage trucks	4.0
Contribution to wages for 2,935 casuals i.e. road sweepers	2.1

The Committee observes that there is need for funding to address the City infrastructure needs which are in a deplorable state, as well as reduce the risk of litigation from contractual obligations from parties involved in ongoing road development.

The Committee recommends that an additional UGX. 30Bn be provided to enable KCCA construct, upgrade and maintain the City road infrastructure in the FY 2023/24.

City Legislature

The Committee was informed that KCCA has City legislative function which constitutes Division level Council responsible for functions relating to policy formulation, passing of ordinances and bye laws. The committee was informed that KCCA requires UGX 6Bn to carry out these activities and for the provision of these services, however the Indicative budget for FY 2023/24 does not provide any funding toward this activities.

The committee observes that functions of the legislature and the role it plays in oversight, monitoring and reporting of the activities are critical for KCCA to ensure activities are carried out efficiently and effectively in order to attain its stated objectives.

The Committee therefore recommends that UGX 6Bn provided to enable KCCA to deliver on its legislative mandate.

7.8.7 VOTE 003 – OFFICE OF THE PRIME MINISTER

Budget enhancement for Strengthening Government Wide Coordination, Monitoring and Evaluation

The Committee was informed of the need to develop robust M&E and Coordination Frameworks for MDAs and LGs for performance assessment and strengthening the Prime Minister's Delivery Unit (PMDU) for real time tracking and monitoring of both the Central and Local Governments to make Government more effective and get results for better service delivery.

It is the Committee finding that budget enhancement for the Offices of the Rt. Hon. Prime Minister, 1st, 2nd, and 3rd Deputy Prime Ministers, Government Chief Whip and Minister for General Duties (UGX. 12.0 bn), developing robust M&E systems for tracking the 20 NDP III Programs and the Parish Development Model(UGX. 5.0bn), coordination of the implementation of NDP III (UGX. 5.0 bn), Fast tracking the realization of Government commitment to SDGs (UGX. 1.5 bn), wage shortfall required to fill critical positions in the new Office of the Prime Minister 's approved structure for effective Government wide coordination (UGX.2.0 bn) and procurement of transport equipment (UGX. 3.05 bn) are among the critical underfunded priorities.

The Committee therefore recommends that additional UGX 34.05 bn be identified and enhance the budget allocation to Vote 003 to facilitate budget enhancement for Strengthening Government Wide Coordination, Monitoring and Evaluation.

Strengthening existing Community Level Disaster Risk Management Capacities

Uganda Red Cross Society has for years been partnering with Government of Uganda through Office of the Prime Minister and Ministry of Health to enhance emergency preparedness at community level and address needs of victims during disasters and emergencies Office the Prime Minister (OPM) is aware of the existing strength at Community level that the Uganda Red Cross Society IURCS) has, which often, complements Government efforts in ensuring vulnerable communities are provided with timely early warning information for early action ahead of impeding disasters, and accorded timely response in the aftermath of disasters and emergences.

The Committee was informed that, Office of the Prime Minister has put in place an institutional collaboration with URCS to strengthen and sustain an efficient Community Based Disaster Preparedness and Response mechanism. The Committee was also informed that, the institutional collaboration between Office of the Prime Minister and URCS will greatly reduce Disasters with improved community based prevention, mitigation, preparedness, response and early warning interventions.

The Committee observed that, the proposed institutional collaboration, premised on four objectives of; installing and operating community level multi-hazard, tools for early warning and early action protocols before a Disaster happens relying on scientific and traditional forecasting; strengthening capacities of Community Volunteer Red Cross Action Teams to effectively prepare and respond to disaster occurrences; delivering and deploying rapid support towards saving lives, livelihoods and property following a disaster occurrence will greatly mitigate occurrence of Disasters, and where Disasters occur, the welfare and livelihoods of the victims can be expeditiously restored.

The Committee was informed that, Uganda Red Cross Society requires UGX. 12.563 bn to undertake the interventions in the said four objectives but there is no budget provision in the MTEF ceiling for Vote 003.

The Committee recommends that, Government provides UGX 12.563 bn to Program 02 – Disaster Preparedness and Refugee Management, Office of the Prime Minister as a subvention to Uganda Red Cross Society in the FY 2023/24 to enable the Society effectively undertake the interventions contained in the stated four objectives

7.9 COMMITTEE ON FOREIGN AFFAIRS

7.9.1 VOTE 006 MINISTRY OF FOREIGN AFFAIRS

Budget cuts under the Programs

Under the Vote budget allocation process for FY 2023/24 by Program Working Groups, the Ministry and Missions Abroad lost resources amounting to UGX 18.173bn which were originally budgeted under the six NDP III Programs in the FY 2022/23. This will affect the operations of these votes given that the allocation itself was not adequate to enable the votes execute their mandates.

There has been a persistent under-funding of this sector owing to its classification as a consumptive program.

The Committee recommends that the Ministry of Finance, Planning and Economic Development should reinstate funds (UGX 18.173bn) in the respective MTEF to enable the Ministry of Foreign Affairs and Missions Abroad to implement their planned activities, such as the promotion of Economic and Commercial Diplomacy (ECD) as well as Tourism.

Budget cuts and the freeze on travel abroad, workshops and seminars

The committee was concerned about the 100% budget cut for travel abroad, workshops and seminars. Missions abroad lost UGX 11.65bn and the Ministry UGX 4.55bn; this has greatly affected the hosting and participation in Joint Permanent Commissions (JPC's), Economic and Commercial Diplomacy (ECD) and the operations of Missions with multiple accreditations. In addition, lack of travel budget has affected the presentation of credentials for the new Heads of Missions in countries of accreditation.

Some missions are accredited for up to fifteen countries, yet the Heads of Missions cannot perform any functions before they have presented their credentials to the Heads of State. By cutting this budget line, Uganda therefore remains unrepresented in those countries.

JPC's are joint permanent commissions for cooperation between countries; these however require money for the travel involved to attend meetings, hire of conference facilities, interpretation services, etc. By cutting this budget line, Uganda is denied the benefits that could accrue from areas such as trade or technical cooperation.

The Committee recommends that MoFPED should reinstate funds amounting to UGX 16.196bn meant for travel abroad, workshops and Seminars to enable MoFA and Missions Abroad effectively execute their mandates.

Contributions to International Organisations

The Ministry is supposed to pay annual subscriptions to International Organisations amounting to UGX 26.0bn. However, in FY 2023/24, the Ministry was only allocated UGX 6.36bn. In addition, the Ministry has accumulated a total of UGX 48.772bn as arrears arising from nonpayment of funds to the different International Organisations. Uganda has accumulated several arrears and each year the figure keeps on increasing.

Failure to fully pay the annual subscriptions has the following immediate repercussions; Uganda will NOT be able to second or nominate candidates to fill any positions within the International Organisation. Uganda will NOT be able to contribute or even vote in the different meetings of such organisations.

Table 19: Outstanding Arrears in International Organizations

SN	International Organisation	Arrears as at December 2022 (UGX)
1	African Union	19,916,658,150
2	Common Wealth Foundation	211,401,700
3	Common Wealth Secretariat	211,828,900
4	Inter-Governmental Authority on Development	7,450,721,250
5	International Conference on Great Lakes Region	1,628,385,000
6	Organisation of Islamic Countries	2,175,825,000
7	UN Peace keeping and Tribunals	744,772,500
8	UN Secretariat	1,689,502,500
9	World Food Programme	14,743,035,000
Total Outstanding Arrears		**48,772,130,000**

The Committee therefore recommends that MoFPED should allocate Funds amounting to;

i) **UGX 19.64bn to enable the Ministry pay annual subscription to the International Organisations.**
ii) **UGX 48.772bn to enable the Ministry clear all the outstanding arrears.**

Foreign missions unfunded priorities

The Committee recommends that UGX 14.27 bn be provided to foreign missions for critical unfunded priorities as shown in table below

VOTE	ISSUE	Required FY 2023/24 (UGX bn)	Available FY 2023/24 (UGX bn)	Gap FY 2023/24 (UGX bn)

VOTE	ISSUE	Required FY 2023/24 (UGX bn)	Available FY 2023/24 (UGX bn)	Gap FY 2023/24 (UGX bn)
501-538 and 006	Hosting of Joint Permanent Commissions	1.200	0	**1.200**
512 (Mission in Addis Ababa)	Rental top ups	0.800	0	**0.800**
536 (Mission in Doha)	Rent	1.372	0.952	**0.420**
515 (Mission in Tokyo)	Chancery relocation	2.898	0	**2.898**
	Presentation of Credentials (Cameroon, CAR, Republic of Gabon, Congo Brazzaville)	0.188	0	**0.188**
520 (Mission in Kinshasa	Facilitation for newly appointed Deputy Head of Mission	0.692	0	**0.692**
504 (Mission in New Delhi)	Purchase of Mini Van	0.300	0.15	**0.150**
	Purchase of representation Vehicle	0.400	0	**0.400**
503 (Mission in Ottawa)	minimum wage for workers	0.146	0	**0.146**
	Consular and labour related activities	3.000	1.000	**2.000**
	Purchase of 2 ambulances and I utility van	2.0	0	**2.0**
516 (Mission in Riyadh)	Entitlements for deputy head of mission	0.600	0	**0.600**
	Representation vehicle	0.637	0	**0.637**
533 (Mission in Kuala Lumpur)	Presentation of credentials	0.328	0	**0.328**
514 (Mission in	wages	2.555	1.631	**0.924**

VOTE	ISSUE	Required FY 2023/24 (UGX bn)	Available FY 2023/24 (UGX bn)	Gap FY 2023/24 (UGX bn)
Geneva)	Rent	2.740	2.478	**0.262**
522 (Mission in Paris)	Rent	2.234	2.031	**0.203**
534 (Consulate in Mombasa)	1 Utility vehicle	0.350	0	**0.350**
529 (Mission in Bujumbura)	Insurance of chancery building	0.022	0	**0.022**
	Purchase of representation car	0.200	0.150	**0.050**

7.10 COMMITTEE ON GENDER, LABOUR AND SOCIAL DEVELOPMENT

7.10.1 VOTE 018 MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT

Budget Cuts to the Ministry

The Committee notes with concern that there has been significant budget cuts for the Ministry. The Ministry budget for non-wage has been cut by UGX 170bn. These cuts have been imposed on subventions under the Ministry, and yet the subventions are both programmatic and institutional. The result is that the Ministry will have to significantly scale down these programmes or close a number of them. Moreover, these subventions account for more than 90% of the budget of the Ministry. The subventions also affect vulnerable, disadvantaged stakeholder, such as PWDs, children, older persons, and women.

The Committee recommends that budget cuts totaling to UGX 170 billion be reinstated

Underfunding for the Special Assistance Grant for Empowerment (SAGE)

The Committee observes that the SAGE programme has been operational since 2010 and in FY 2018/19, Cabinet announced a national rollout of the programme to cover all older persons aged 80 years and above across the country, targeting 200,500 older persons and 157,920 beneficiaries under the pilot programme.

The Committee notes that efforts were made to clear arrears which now stand at 1.5bn out of the 15bn. However, the allocation to the programme has been slashed from UGX 121.30bn in FY 2022/23 to 24.26bn. This reduction in allocation has to be viewed from the viewpoint of the fact that donors had stopped support to be programme, which makes the situation of older persons aged 80 and above even more precarious.

This is not to consider the fact that the monthly allocation to older persons of UGX 25,000 per month is inadequate considering that it has been constant since the programme started, and the fact there are numerous older persons who cannot access the funds due to technical challenges with national identification. A significant reduction in the budget to the programme will deal a severe blow to older persons in the country.

The Committee recommends that:

i) **An additional UGX 97.04bn be allocated to the Ministry of Gender, Labour Social Development for the implementation of the Special Assistance Grant for Empowerment;**
ii) **An additional UGX 1.5bn be allocated to the Ministry of Gender, Labour & Social Development to clear arrears of beneficiaries.**
iii) **The Ministry of Gender, Labour & Social Development engage with the National Information Registration Authority (NIRA) to ensure that errors on the National IDs are corrected and the pending beneficiaries registered**

Funding for the Green Jobs and Fair Labour Market Programme (Jua Kali)

The Green Jobs and Fair Labour Market programme seeks to provide solutions to the problem of youth unemployment in the country, especially those in the informal sector which contributes more than half of the country's GDP. The programme also helps in helping youth groups in the informal sector (Jua kalis) by supporting them with business start-up toolkits, equipment and green technology, and helping them to transit from the informal to the formal sector. This is in line with result 6.1 of the NDP III which aims to reduce the informal sector from 51% in 2018/19 to 45% in 2024/25. At present, 9 out of 10 youth in employment are engaged in the informal sector according to the Uganda Annual Labour Force Survey, 2021, and would greatly benefit from the Jua Kali initiative to ensure to transit into formal employment.

The intervention provides business toolkits and equipment for youth, women and PWDs groups in constituencies and provides hope for employment to many. The programme was allocated UGX 4.23bn in FY 2022/23 but has had the budget slashed to 0.85bn, which will nt only make it difficult to continue operating, but will effectively close it down and lose the gains already made. Moreover, the programme requires more funds to run efficiently.

The programme will be national in character, covering all the 353 constituencies in all the 135 districts and 11 cities. The major sectors of focus will be those in which the Jua-Kalis are most involved which also correspond with the NDP III priority sectors, namely, commercial agriculture, services, manufacturing and ICT

The specific trade types that will be supported, among others include: Mechanical, Metal, Fabrication and Welding; Electrical; Woodwork & Carpentry; Art, Design, Leatherworks, Textile & Tailoring; Plumbing & Construction; Food and Agro processing; Information, communication & Technology; Automobile Assembling, Maintenance and Repairs, Cosmetology; and Creative Arts.

The Committee recommends that;

i) **the budget for promotion of green jobs reinstated by allocation of UGX 4.98bn to the Ministry of Gender, Labour & Social Development for the implementation of the Green Jobs and Fair Labour Market Programme.**
ii) **additional UGX 38.4 bn be allocated to the Ministry of Gender, Labour & Social Development to extend the programme to all constituencies in the country**

Funding for the Equal Opportunities Commission

The Committee appreciates the important role played by the Equal Opportunities Commission since its inception, especially with regard to marginalised groups. The role played by the Commission in ensuring that budgets of all Ministries, Departments and Agencies meet the threshold of gender and equity responsiveness cannot be underestimated.

However, the Commission has significant funding gaps that may hinder its ability to play its role.

The Committee recommends that the following funds be allocated to the Equal Opportunities Commission:

i) **UGX 2bn for strengthening the capacity of state and non state actors to mainstream equal opportunities and affirmative actions in all policies, laws, plans, programs, activities, practices, traditions, culture and customs ;**
ii) **UGX 2bn to increase tribunal hearings under access to justice for marginalised groups;**
iii) **UGX 2.5bn for awareness creation on issues of equal opportunities and affirmative actions**

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National Apprenticeship and Graduate Volunteer Scheme

National Apprenticeship Framework was approved under Minute No.358 (CT 2018). The Ministry was then directed to urgently design and implement apprenticeship scheme in the key sectors of the economy. The Programme is also in response to the massive number of young people who have been rendered unemployed by skills mismatch as well as labour market disruptions occasioned by COVID-19.

Therefore, skilling, re-skilling and up-skilling are critical for accelerating job transition for the young people to adapt to changing needs and avoid the looming labour market crisis

The Ministry of Gender Labour and Social Development requires UGX 10 billion to implement this programme. However no provision had been made in the FY 2023/24.

The Committee recommends that UGX 5 billion be provided in the FY 2023/24 to kick start the implementation of the National Apprenticeship and Graduate volunteer scheme.

Funding for the Uganda National Cultural Centre

The Committee underscores the importance of the creative arts industry to the development of the country and is cognizant of the potential it has especially for young people.

However, the importance of the creative industry has not received its due recognition in terms of funding. The Uganda National Cultural Centre, for example, is short of UGX 0.77bn in salaries. The Centre also has gratuity arrears amounting to UGX 3.37bn and requires operational funds of UGX 5bn to carry out activities and reach out to various artists across the country.

The deficit in salaries means that an important entitlement for staff is missing, and as such the institution will continue to default on statutory payments such as contribution to the National Social Security Fund. The lack of money for operations also means the institution is not fulfilling the mandate for which it was established.

The Committee notes that it is important for the Centre to operate, which requires resources. The Committee is also cognizant of the fact that culture can be a potent tool for community mobilisation and mindset change, especially in light of the fact that there has been no allocation for community mobilisation and mindset change under the Parish Development Model.

The Committee was informed UGX 126 billion is required to develop a regional culture centre in county.

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The Committee recommends that:

i) **UGX 0.77bn be allocated to the Ministry of Gender, Labour & Social Development to cater for salaries of staff at the Uganda National Cultural Centre; and**

ii) **UGX 5bn be allocated to the Ministry of Gender, Labour & Social Development to cater for planned activities at the Uganda National Cultural Centre**

iii) **UGX 42bn be allocated to the Ministry of Gender, Labour & Social Development for the redevelopment for regional centre in the country.**

7.11 COMMITTEE ON FINANCE PLANNING AND ECONOMIC DEVELOPMENT

7.11.1 VOTE 008: MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

Continued build-up of stock of domestic arrears

The Committee observed that stock of domestic arrears continues to be high despite the Public Finance Management Act barring Accounting Officers from committing Government without confirmed availability of funds. As at end of June, 2022, the stock of verified arrears excluding the Bank of Uganda debt on cash advances stood at 2 trillion. The FY 2022/23 budget has made a provision and indeed released up to UGX. 661.9 billion from both the central budget allocation and at vote level to clear part of the stock of arrears.

The Committee further noted that the provision to clear arrears in the FY 2022/23 budget eliminated a lot of fiscal space, and yet it is not included in the computation of the domestic debt portfolio of the country. Without its inclusion, it remains a non-productive expenditure on government

The above notwithstanding, only 200Bn has been allocated to the payment of domestic arrears in the FY 2023/24, down from UGX 600Bn in the FY 2022/23. This not only reveals a UGX 461Bn variance year on year but a lost opportunity to eliminate these obligations from the budget in the medium term.

With domestic revenues projected to grow by UGX. 3.280 trillion, from UGX. 25.550 trillion in FY 2022/23 to UGX. 28.831 trillion in

FY 2023/24, The amount of money available to Government for discretionally allocation is declining from UGX. 25.40 trillion to UGX. 22.8 trillion during the same period.

The Committee recommends that;

i) **UGX. 600 billion be allocated for payment of domestic arrears targeting Ugandan companies that supplied Government and their claims were verified by the Internal Auditor General;**

ii) **MFPED includes the stock of domestic arrears in the overall debt stock of the country;**

7.11.2 VOTE 314: NATIONAL LOTTERIES AND GAMING REGULATORY BOARD

National Electronic register of gaming machines and devices

The Committee observed that Sec 36 of the Lotteries and Gaming Act 2015 and Regulation 4 of the Lotteries and Gaming (Gaming & Betting Machines) Regulations 2017 require that the National Lotteries and Gaming Regulatory Board establish a national electronic register. The register aims to promote responsible gaming and alleviate money laundering, while increasing the tracking of revenues. The Committee noted that all gaming machines in the country shall be required to be registered on the National Electronic register, in accordance with the law. In the recent past, the Committee noted that the Board handled three cases of gaming addiction. While this is commendable, more gaming addicts, especially among the youth, shall be easily redeemed through investing in the register.

Notwithstanding the planned rationalization, the government needs to expedite the amendment of the National Lotteries and Gaming Act to streamline its governance and regulation of the sector.

The Committee notes that while the Board has a funding gap of UGX 18 billion, and the committee is cognizant of the budgetary constraints facing the country

The Committee recommends that UGX 5 billion be allocated to the National Lotteries and Gaming Regulatory Board for the establishment of a National Electronic register of gaming machines and devices for purposes of enhancing revenue generated from the sector.

7.11.3 FINANCIAL INTELLIGENCE AUTHORITY (FIA)

Recruitment of additional staff

The Committee observed that FIA has an approved staff structure of 83. Currently, only 41 of the staff structure is filled representing a staff capacity of 49%. The Committee noted that these staffing levels are too low and this has caused significant performance gaps during the course of executing the FIA mandate.

The Committee further observed that FIA's staffing structure is "top-heavy", with some departments, such as Internal Audit, having managers with no officers under them to supervise. This poses a risk to the operations of the Authority, in light of the dynamic nature of money-laundering and the need for a fully staffed functioning Authority.

The Committee also established that phased recruitment of staff has just commenced in the month of January 2022 and some funds to cater for the exercise were released in the 1st half of the current Financial Year.

The Committee recommends that since recruitment has commenced the additional request for UGX. 1 billion for recruitment of more workers in FY 2023/24 be deferred to FY 2024/25.

Enforcement of compliance with Anti-Money Laundering Laws

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

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

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

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

The Committee recommends that UGX2.5 billion be allocated to FIA for the enforcement of compliance with anti-money laundering laws in order for the country to be removed from the gray list by the Financial Action Taskforce.

Enhancement of IT Systems

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

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

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

The Committee recommends that UGX 6 billion is allocated to FIA for the enhancement of its IT systems for FY 2023/24.

7.11.4 OFFICE OF THE AUDITOR GENERAL

Increasing audit scope and range

The Committee observes that various parliamentary resolutions as well as demand from various stakeholders has expanded the coverage and scope of audits such a public works audits, value for money audits, special audit and forensic investigations. The OAG has presented a funding gap of UGX. 33.01 billion Intended to cover expansion of the range and scope of audits (LG, PDM, VFM, Specialized audits)

The committee further established that a job evaluation exercise and manpower planning analysis for staff of the Office of the Auditor General established that the current workforce of 497 staff was too low compared to the requirement of at least 1,890 workers, leaving a staffing gap of 1,393. OAG is requesting for a significant increase in the allocation for staff recruitment equivalent to UGX. 28.67 billion

The Committee also observes that the Office of the Auditor General lacks a system to follow up on implementation of audit recommendations as well as the existing backlog in discussions on both financial and value for money audit reports. The OAG also intends to enhance retooling, land acquisition for construction of the proposed centre of excellence, remodeling of branch offices and upgrade of ICT infrastructure

The Committee recommends that;

i) **Funding request for recruitment of additional workers be phased over the next 3 financial years. Accordingly, UGX 5 billion be allocated for recruitment of AOG workers in FY 2023/24.**
ii) **Urgency be accorded to expansion of scope to include value for money audits and UGX. 10 billion be allocated to the OAG for FY 2023/24.**

7.11.5 VOTE 138 UGANDA INVESTMENT AUTHORITY

Development of Industrial and Business Parks

The Committee observed that Uganda currently faces a challenge of how to transform economic activity away from low value-added agricultural production, non-tradable services and manufacturing activities towards a high value globally competitive industry.

The Committee further observed that for UIA to meet the targets of the Regional Industrial Parks Strategy, that calls for a minimum target of 5 industrial and business parks to be setup across the country, there is need to develop the relevant public infrastructure and utilities in these industrial parks using funding from the Government to secure the land (fencing, surveying & Titling) and operationalize the parks.

The Committee noted that the funds herein requested for by UIA, in line with the industrial park's development strategy, are specifically meant to facilitate the following;

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

In order for UIA to implement the Regional Industrial Parks Development Programme, there is need for the Authority to exclusively setup and operationalize at least five (5) industrial and business parks spread across the country, secure the land through surveying, fencing and titling, and undertaking feasibility studies on the land for the construction of industrial and business facilities to contribute to the economic transformation program of government. This will enable the Authority to meet the set target of implementing Regional Industrial Parks Strategy so as significantly contribute to import substitution, gross contribution to GDP and vast job creation. This activity requires UGX 10billion which has not been provided for in the budget.

The Committee was also informed that UIA requires an additional UGX 268.5 billion for development of industrial & business parks, One Stop Centre and implementation of the Kampala Industrial and Business Park, Namanve Project

The Committee recommends that the critical funding requirement of UGX. 10 billion to cover both the Owner's Engineer (Kampala Industrial and Business Park, Namanve) activities as well conducting feasibility studies be provided.

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7.11.6 VOTE 141 UGANDA REVENUE AUTHORITY

Performance of URA tax revenue

The Committee observed that the revenue target for FY 2022/23 rose to UGX 25,551, from UGX. 21,658.01 billion collected in FY 2021/22.

The Committee noted that this effort has been on the account of tax administrative efforts through enhanced enforcement, implementation of Electronic Fiscal Receipting and Invoicing System (EFRIS).

The Committee observes that no new taxes are being introduced in FY 2023/24. Revenue growth is premised on efficiency and effectiveness in tax administration. URA is requesting for an additional financing equivalent to 248.18 billion for retooling and structural review of the Agency

The Committee noted that for URA to hit its tax revenue targets there must be a robust and deliberate effort to implement the Domestic Revenue Mobilisation Strategy. Implementation of the DRMS is hampered by Uganda having the lowest tax collector to tax payer ratio in Africa. URA is requesting for an additional UGX. 208.63 billion to support the implementation of the Domestic Revenue Mobilisation Strategy. To enhance administration, URA has also requested an additional provision of UGX. 162.1 billion to cover staff recruitment and wage enhancement

The Committee recommends that;

i) **URA be allocated UGX. 80 billion to support the implementation of the Domestic Revenue Mobilisation Strategy to enable the agency collect adequate revenue to finance the budget and enhancement of revenue collection and administration.**
ii) **UGX 100 billion allocated to URA for staff recruitment and wage enhancement.**

7.11.7 VOTE 129 UGANDA FREE ZONES AUTHORITY (UFZA)

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Completion of the Entebbe International Airport Free Zone

The Committee observed that Entebbe International Airport Free Zone will upon completion house seven production units and a

Trade house that will host offices of UFZA, URA and other Government offices to facilitate smooth flow of business in the Zone.

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

The Committee noted that the Free Zones Scheme contributed to 23% of the country's total export stock in the FY2021/22. The Committee further noted that during the FY2020/21, Free Zones contributed UGX. 22.59 billion to the country's tax revenue, compared to UGX 30.88 billion in FY2019/20. The reduction was mainly due to tax exemptions from VAT. The tax forgone was UGX 158.03 billion in FY2020/21 compared to UGX. 2.85 billion in FY2019/20. In other words, without VAT tax exemptions, Free Zones would have contributed at least UGX200Bn in tax revenue.

The added benefit Entebbe International Airport Free Zone is expected to create is in the form of 240 direct jobs and a significant increase in Uganda's exports. It will also directly contribute cargo volumes to recently revived Uganda Airlines thereby boosting its business as the company secures more routes.

The Committee established that UFZA has been trying to acquire land from the Uganda Land Commission without success. The Authority requires up to 40 square miles establishing viable free zones capable of attracting significant FDI and industries.

The Authority requires UGX 4 billion for completion of construction of the Entebbe International Airport Free Zone. An additional UGX 30 billion is also required to acquire land for developing 4 regional public special economic zones.

The Committee recommends that;

i) **The Vote MTEF allocation in the BFP be enhanced by an additional UGX. 1.92 billion for UFZA.**

ii) **UGX 4 billion be provided to UFZA for completion of construction of the Entebbe International Airport Free Zone.**

7.11.8 VOTE 318 UGANDA MICROFINANCE REGULARTORY AUTHORITY (UMRA)

Inadequate staffing

The Uganda Microfinance Regulatory Authority is taking on an expanded portfolio of regulated microfinance and capacity building due to the thousands of new PDM SACCOs. Accordingly, the Agency intends to recruit staff to fill the approved structure and requires an additional wage of UGX 2.3 billion.

The committee recommends that an additional wage of UGX 1 billion be provided to UMRA in the FY 2023/24 for recruitment of additional workers

Inadequate Non-wage recurrent

UMRA has requested for additional financing equivalent to UGX. 2.8 billion for supervisory and licensing activities

The Committee recommends that the Vote MTEF allocation in the BFP be enhanced by an additional UGX 1 billion.

7.12 COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

Budget Cuts

The committee observes that, the projected MTEF of the Agro Industrialization Programme in the FY 2023/24 is UGX 1.4994 trillion; out of the National MTEF of UGX49,988.7 trillion, representing a 3.2% allocation to the Programme. The Sector domestic development budget which covers strategic interventions including; disease control, mechanization, civil works, etc will be reduced by UGX 131.38 billion in 2023/24 MTEF. The net budget cut under the government of Uganda component is UGX. 210 billion as reflected in the table below;

Table 20: Agriculture sector budget cuts

MDA	Amount in UGX Bn
VOTE 010 - MAAIF	92.45
VOTE 121-DDA	4.2
VOTE 125- NAGRC&DB	12.81
VOTE 142- NARO	15.41
VOTE 152-NAADS	35.84
VOTE 155- COTTON DEVELOPMENT ORGANISATION	3.1
VOTE 160 UCDA	19.6
VOTE 601-District Local Government Production Departments	124.76

The committee notes that the Program, with its immense importance and expectations already faces funding challenges and many priorities have gone unfunded for long. Therefore, further cutting its budget will plunge the program into further mishaps.

Although the external financing commitment for the FY was UGX 159.9bn only UGX 73.75bn was provided in the IFMS which has limited implementation of critical activities.

The committee recommends that the budget of UGX 210 billion for the critical priority areas that have been cut, be reinstated.

7.12.1 VOTE 010: MINISTRY AGRICULTURE ANIMAL INDUSTRY AND FISHERIES

Water for Production

The committee observed that, overtime, there has been consistent lack of clarity on the mandate of the two agencies that are responsible for water for Agriculture production; namely Ministry of Water and Environment (MWE) and MAAIF. The status quo is that MAAIF provides "on-farm" water for agricultural production through excavation of valley dams and valley tanks and ponds; while bulk water supply "off-farm" is vested in the Ministry of Water and Environment; such as construction of the multi purposed dams.

The committee notes that, there is lack of coordination between the two executing agencies, as such, facilities have been constructed and abandoned in places where the need is not dire, while the areas where the situation is appalling, and have been left without water for irrigation, which has taken a toll on the sector and livelihoods.

MAAIF has overtime acquired specialized and Heavy Earth Moving Equipment and machinery sets to equip all the 19 Zonal Agricultural Mechanization Centers which has boosted its capacity for construction of water harvesting and storage facilities for irrigation, livestock and fish. There is need for National Irrigation Master Plan to support the irrigation program in the sector.

The committee therefore recommends that,

(i) The function of Water for agriculture production be harmonized and transferred fully to the MAAIF

(ii) An additional UGX 15.0 billion be provided for purchase of additional water facility construction equipment.

(iii) MAAIF and Ministry of Water and Environment should fast track the finalization of the National Irrigation Master Plan to effectively guide in the assessment of water for production needs.

Agricultural Mechanization

The Committee was informed that the following key interventions under Agricultural Mechanisation and Irrigation are unfunded:

- Procurement of five (05) sets of specialised Heavy Earth Moving Equipment for bush clearing, land opening, water facilities (valley tanks, dams, fish ponds), farm access roads construction & farm infrastructure = Ugx. 48,000,000,000/=;
- Provision of tractors, implements and accessories (500 units of assorted tractors and 2000 units of Single Axle Tractors, implements and accessories = Ugx. 56,000,000,000/=;
- Development (Construction and Desilting) of 300 Valley Tanks, 10 Dams and 500 Fish Ponds and operationalising them = Ugx. 35,000,000,000/=;
- Opening and Construction of Farm Access Roads (850kms of uncoded Roads) = Ugx. 30,000,000,000/=;
- Construction, Equipping and Operationalising (5) Zonal Agricultural Mechanisation Centers = Ugx. 25,000,000,000/=;
- Setting up of the Assembling Plant for manufacturing and assembling of tractors, implements and accessories locally in the country = Ugx. 35,000,000,000/=;
- Small Scale on farm (Irrigation Promotion) and infrastructure = Ugx. 40,000,000,000/=;
- Operations, maintenance and refurbishment of the Agricultural Mechanisation Equipment and Machinery Sets in the Regional Centres = Ugx. 7,500,000,000/=.

The committee observes that over time, agriculture mechanization has been staggering with poor performance in line with development projects. There is need to establish and construct more centres, but prior to that, it is pertinent to maintain, equip and manage the five existing centres to full operational standards and capacity.

The Committee therefore recommends that;

i. Government prioritizes the establishment and operationalization of Regional Mechanization Centres to ensure equitable access to these equipment by Ugandans

(ii) Government avails the required funds amounting to UGX 25 billion to facilitate Agriculture mechanization across the country

Agriculture Extension Services

The Committee was informed that the following key interventions for strengthening the Agricultural Extension Systems: are unfunded:

- Support recruitment of 1000 agricultural extension workers = Ugx. 48,000,000,000/=;
- Equipping of agricultural extension workers (25 Vehicles, 1000 motorcycles) = Ugx. 22,000,000,000/=
- Training of extension workers = Ugx. 3,500,000,000/=;
- Developing commodity focused information materials = Ugx. 500,000,000/=;
- Profiling, registering and accreditation of extension service providers = Ugx. 1,000,000,000/=;
- Strengthening of farmer organizations = Ugx. 3,000,000,000;
- ICT-enabled agricultural extension supervision system operationalized = Ugx. 2,000,000,000/=;
- Village agents and nucleus farmers supported = Ugx. 1,430,000,000/=;
- Research-extension-farmer platforms established at district and zonal levels = Ugx. 800,000,000/=;
- Pre-season regional planning and review meetings = Ugx. 1,500,000,000/=;
- Review national agriculture extension strategy and bill = Ugx. 1,000,000,000/=.

The Committee is concerned that the recruitment of extension workers has stagnated at approximately 77%. The staff establishment in Local Governments provides for 8,698 extension staff of which 3,790 are filled, thus a staffing gap of 4,908 extension workers. Additionally, the budget for the District LG production services where this activity is housed has been reduced by UGX 124.76bn in FY 2023/24 and the reason is that the money is channeled to PDM.

The committee further observes that MAAIF requires UGX 5.5 bn for the roll out of the E-Extension systems for real-time information sharing and monitoring of extension services delivery to 60 districts across the country, but only UGX 0.5 billion is available in the MTEF

The committee therefore, recommends that reinstate the UGX 124.76billion that has been removed from the District LG production services to support production, marketing and extension

Vector Control
The committee notes that Tsetse flies still ravage most of the areas along water bodies and the cattle-corridors. No provision has been made in the MTEF to alleviate this problem.

The committee recommends that additional UGX 2.3 billion be provided to combat the infestation.

Food Security Interventions
The committee observed with great concern that, country has no clear strategy and policy in regard to food security and avenues to have it fully instituted in the country. The country has resorted to adhoc methods of attending to hunger related crisis when they erupt at any one give time, and any given crisis that results from natural calamities and hazards. In the current FY alone, UGX 350 billion has so far been provided as a supplementary on these adhoc interventions following the recent famine. The intermittent occurrence of hunger stricken regions in the country calls for a formidable approach with clear regulations, policy and fund in place.

The committee therefore recommends that;

(i) **UGX 400 billion be provided annually in the next 2 years, for food security and related interventions (food production, silos and stocking)**
(ii) **There is need to sensitise and mobilise the populace to better approaches in regard to food security, revitalize the tradition of silos/ the granary tradition of old.**

7.12.2 VOTE 160: Uganda Coffee Development Authority

Budget cuts
The Committee notes that the volume of coffee produced increased from 8.06million bags in FY 2020/21 to 8.8 million bags in FY 2021/22, while exports grew from 6.06 million bags to 6.26 million bags in FY 2021/22, earning the country US$ 862.28 million up from US$ 559.16 million in the previous Financial year. This is a very promising performance towards the 20 million bag target by 2030 as guided by the Coffee Roadmap.

The coffee sector plans for the Construction and equipping of two (2) regional coffee quality certification laboratories in Mbale and Kasese and one in Kampala at UGX 9.3 bn, Construction of coffee hub at Kyambogo University to boost domestic coffee consumption – UGX 0.45 bn, Management of coffee pests and diseases – UGX 2.88bn, Support to Parish Development Model (PDM) through operationalization of the Parish Coffee Development Advisors- UGX 5.05 bn and Provision of primary processing equipment (wet mills, motorized pulpers, hullers, 60 solar driers and 750 drying trays)- UGX 6.25 bn. All these critical activities have not been funded in the MTEF

The committee further notes that the budget for the UCDA has been slashed by 26.8% to UGX 47.51 billion in FY 2023/24 MTEF. This risks undoing the progress the agency has achieved in previous years.

The committee therefore recommends that

(i) **The Budget for the UCDA should be reinstated to the current UGX 64.94 billion in FY2022/23.**

(ii) **UGX 9.3 billion be provided for the construction and equipping of the 2 regional coffee quality certification laboratories in Mbale and Kasese and a national one in Kampala**

(iii) **UGX 6.25 billion be provided for primary processing equipment (wet mills, motorized pulpers, hullers, 60 solar driers and 750 drying trays) in order promote value addition to Ugandan coffee.**

7.12.3 VOTE 142: National Agricultural Research Organisation (NARO)

Inadequate funds to undertake research and generate of new varieties

There is a presidential guidance that Government agencies, responsible for agricultural research and animal genetics improvement should have monopoly and control of foundation seed and stocking materials development, production, and importation. NARO plans to undertake research and generate of new varieties for increased yields and disease resilience.

The committee recommends that Government provides for the following;

(i) **UGX 19.03 billion be availed in the next budget to undertake research and Generation of new varieties for increased yields and disease resilience**

(ii) **UGX 20 billion to facilitate production of anti-tick vaccine to save farmers from the reported fake vaccines on the market.**

(iii) **UGX 13.57 billion be provided for the roll-out of the Aflasafe product.**

7.12.4 VOTE 125: National Animal Genetic Resources Centre & Data Bank (NAGRC & DB)

Limited access to improved genetics

The committee notes that NAGRC&DB focuses on increasing access to improved genetics to farming households. The community based breeding outreach initiative where various farmers are supported through avenues such as artificial insemination, embryo transfer and availing of live animals has

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increased access to improved animal genetics by 14.2%. In a bid to fulfil this mandate and have proper breeds spread to all farmers Nationwide, the institution needs funds for establishing, equipping and maintenance of fish, poultry and animal feeds processing plants, to a tune of UGX 40 billion.

The committee recommends that;

i. **UGX 20 billion be provided for the establishment, equipping and maintenance of fish, poultry and animal feeds processing plants**
ii. **UGX 10 billion be availed to provide superior breeding stock to enhance the genetics of poultry, fish and animals for local communities**

7.12.5 VOTE 152: National Agricultural Advisory Services (NAADS)

Demand for the emerging high value crops

The Committee notes that there is growing demand for the emerging high value crops namely Macadamia, Cashew nuts and Hass avocado among other organic crops. These crops have a high export potential and therefore a need to increase their production. These crops grow in any part of the country and this could be to a greater advantage for the regions like the North and North-East which do not have perennial cash crops. Accordingly,

The Committee therefore recommends as follows:

(i) **UGX 3.44 billion for Macadamia seedlings, UGX 6 billion for Hass Avocado seedling, UGX 6 billion for sunflower, UGX 3 billion for soya beans and UGX 6 billion for Cashew nuts be provided**
(ii) **UGX 20 billion be provided to purchase and distribute hoes to the remaining districts that have not yet received.**

7.12.6 VOTE 121: DAIRY DEVELOPMENT AUTHORITY (DDA)

The committee observes the budget of DDA has suffered serious cuts and yet it is one of the high export earners for the country.

The committee recommends that UGX 4.2 billion for the rehabilitation of the Mbale Milk factory

7.12.7 VOTE 155: COTTON DEVELOPMENT ORGANIZATION (CDO)

The committee notes that cotton is one of the strategic crops but has been neglected in terms of budget provision

The committee recommends that UGX 1.144 billion for procurement of Ox-ploughs for land opening

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7.13 COMMITTEE ON EAST AFRICAN COMMUNITY AFFAIRS

7.13.1 VOTE 021 MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS (MEACA)

Payment of EAC Gratuity and pension arrears

The Committee established that despite having received funds for payment of pension arrears of UGX 9.281billions for FY 2022/23, only U1.177bns has been paid by December 2022. The Ministry has not finalized payment of gratuity and pension arrears of the former workers of the defunct East African Community (EAC). The Ministry reported that claims continuously come in and once received, verifications are made and those found genuine are paid. Depending on verification and validation of claims as compiled, payment is a continuous process.
The Committee was further informed that, payments were first handled by the Ministry of Public Service, and in order to avoid Government incurring losses, payments are done after harmonization with records from the Ministry of Public Service to ascertain whether payments were already done or not. A Committee was set up to undertake an ongoing verification exercise intended to ascertain all genuine retirees.

The Ministry has not demonstrated limited capacity to handle the verification exercise within the specified timeframe.

The Committee recommends that;

i) **MEACA expedites the validation and verification exercise to help complete payment to all claimants. In addition, those who have been verified should be paid with immediate effect.**
ii) **The Committee recommends that MEACA should work with Local Government structures to verify claimants within one Financial Year and pay them accordingly.**
iii) **The Committee recommends that UGX 1.72 bns for countrywide data collection and verification of all claims of the defunct EAC employees using existing District Local Government structures be provided for the exercise to be concluded within one Financial Year.**

EAC Mandatory and statutory meetings

The Committee was informed that, MEACA has on a number of incidents failed to participate in key regional meetings due to lack of funding. Attending of regional meetings, participating in Bilateral engagements, Joint Permanent Commissions and trade negotiations, is key for Uganda to benefit in the EAC integration. Provision of insufficient funds greatly affects Uganda's position in the negotiation agenda.

The Committee recommends that the Ministry of Finance, Planning and Economic Development avails funding gap of UGX.2.2Bn to facilitate MEACA to participate in key regional mandatory and statutory meetings and Ministerial engagements.

Improving Public awareness of the EAC integration matters

The Committee observed the need to increase awareness and information to Ugandans about existing opportunities in other partner states to be taken advantage of by the citizens of Uganda which can stimulate production and facilitate trade and to tap into the expanded EAC market for improved Household income.

MEACA has a funding gap of UShs. 1.4Bn which is required for holding consultative meetings to abreast the citizens, Political Leadership at Central and Local Government to steer the integration agenda in Uganda.

The Committee recommends that the Ministry of Finance, Planning and Economic Development avails funding gap of UShs.1.4Bn to facilitate MEACA to source for market information to effectively carry out public sensitization and awareness of the EAC integration on trade opportunities for the benefit of all Ugandans.

Budget provisions for coordinating regional and national efforts towards the drafting of the EAC Political Confederation Constitution

The Committee observed that of the required UShs 0.58bn, under the Political affairs department only UShs 0.120bn has been provided for coordinating regional and national efforts towards the drafting of the EAC Political Confederation Constitution for FY 2023/24 leaving a deficit of UShs 0.460bn.

The Committee recommends that the Ministry of Finance, Planning and Economic Development avails funding gap of UGX 0.460bn to facilitate MEACA for coordinating regional and national efforts towards the drafting of the EAC Political Confederation Constitution for FY 2023/24

Adoption of Kiswahili as an official language

The 21st EAC Summit Directed that Kiswahili be adopted as an official language. The Ministry of East African Community Affairs plans to coordinate and promote Kiswahili as an Official language in line with the 21st EAC Summit Directive. The Ministry of East African Community Affairs requires UGX 3.25 bn to operationalize the Kiswahili as an official language as detailed in the table below.

Activities	**Gap (UGX Billion)**	**Justification**

Activities	Gap (UGX Billion)	Justification
Coordinate World Kiswahili Day celebrations on 7th July 2023 as per UNESCO declaration	0.33	The 21st EAC Summit Directive that Kiswahili be adopted as an official language; The Ministry of East African Community Affairs to coordinate and promote Kiswahili as an Official language in line with the 21st EAC Summit Directive.
Institutionalize translation services for Kiswahili by including enhancing ICT in the Ministry's Video-Conference room.	0.29	
Coordinate participation of Ugandans in the Annual East African Kiswahili conferences.	0.29	
Coordinate and participate in supervision missions with the EAC parliamentary forum on Kiswahili to the Kiswahili Commission in Zanzibar.	0.34	
Coordinate rolling out of a Training Programme and support setting up/strengthening a Kiswahili Corner in the Parliamentary Library.	0.32	
Conduct Kiswahili training in all MDAs starting with MEACA as the Ministry in charge of EAC Affairs.	0.34	
Coordinate with Ministry of Education and Sports Student/Staff exchange programmes among Kiswahili institutions in the East African Community.	0.35	
Coordinate and participate in translation of key EAC Policy Instruments/documents such as the Simplified Trade Regime.	0.35	
Coordinate training of Ugandan business persons engaged in cross-border trade to enhance their business transactions in Kiswahili	0.31	
Building Partnerships with non-state actors such faith based organizations (IRCU) and Cultural Institutions to promote Kiswahili in Uganda among the general citizenry.	0.33	
Total	**3.25**	

The Committee recommends that UGX 3.25 bn be provided for coordination and promotion of Kiswahili as an official language

Participate in international assignments.

The Ministry of East African Affairs plans to participate in international engagements and therefore requires a budget of UGX 2.005Bn. However only UGX1.325Bn has been provided in the budget for FY2023/23 leaving a funding gap of UGX 680M

The Committee recommends that UGX 0.680 bn be provided to enable the Ministry to participate in international engagements.

7.14 COMMITTEE ON DEFENCE AND INTERNAL AFFAIRS

7.14.1 VOTE 009 - MINISTRY OF DEFENCE AND VETERAN AFFAIRS

The wage bill:

This is projected to remain the same despite the experience of salary enhancement that took place during the FY 2022/23 that was not initially provided for; and the proposed recruitment of 23,000 personnel for operations such as "Operation Shujaa, "Usalama Kwa Wote", and filling gaps due to attrition. This will require an additional UGX 961.9 billion for 50% enhancement for senior military personnel (Rank of Major to Col.); 33% from Rank of Captain & below; and additional recruitment.

The Committee recommends provision of the 33% salary enhancement from the rank of Captain and below, while maintaining the existing enhanced salaries for higher ranked officers that were provided in the course of FY 2022/23, in the next budget of FY 2023/24. The remaining additional salary enhancement for all officers should be prioritized over the medium term.

7.14.2 VOTE 009 - MINISTRY OF INTERNAL AFFAIRS

Reception Centres for rescued trafficked persons

The Committee observed that the Ministry lacks Reception Centres for rescued victims of trafficking in persons. To establish regional reception centres, the Ministry requires UGX 12.25 billion.

The Committee recommends that UGX 5 billion be provided in FY 2023/24 budget to kick start the establishment of reception centres for trafficked persons and the balance be provided over the medium term.

7.14.3 VOTE 120 – NATIONAL CITIZENSHIP AND IMMIGRATION CONTROL

Land acquisition, construction and infrastructure development

This includes office and staff accommodation, since officers working 24 hours need to sleep in the same housing near the border point. Only 24 of the 66 gazetted border posts have office infrastructure that meets basic standards for the provision of border management services. There is need to develop a project to finance infrastructure development under DCIC. In FY 2023/24, UGX 3.226 billion has been provided for this purpose, leaving a funding gap of UGX 3.5 billion.

The Committee recommends re-allocation of UGX 2.23 billion to critical areas in FY 2023/24 budget estimates as a fully developed project is being undertaken by DCIC and NPA. The remaining UGX 1 billion be used to undertake feasibility studies and project documents for approval by the Development Committee.

ICT systems:

DCIC will require UGX12.9 billion in FY 2023/24 to digitize 3.5 million old manual records; develop a warehouse and dispatch module for Kyambogo passport collection Centre; and migration of the old passport data to the new system.

The Committee recommends a provision of UGX 7 billion to DCIC in FY 2023/27 to kick start the process of digitizing 3.5 million old manual records; develop a warehouse and dispatch module for Kyambogo passport collection Centre; and migration of the old passport data to the new system.

7.14.4 VOTE 144 - UGANDA POLICE FORCE

Forensic services:

The Committee observed that the level of implementation of the Regional Forensic Referral Centre Project was at 4% against an annual target of 20%. Therefore, the need for enhancing scientific based technical capacity for investigations, which has a shortfall of UGX 30.3 billion; and by strengthening research and development; and facilitating forensic science centres.

The Committee recommends a provision of UGX 6 billon to enhance scientific based technical capacity in carrying out investigations during the FY 2023/24 and the remaining be provided over the medium term.

The wage bill

Under Uganda Police force wage will remain at the same level as in FY 2022/23 at UGX 383.034 billion, despite receiving a supplementary budget for enhancement of salaries and pension during the course of the year.

The Committee recommends additional UGX 7 billion under the wage bill during the FY 2023/24 to cater for salary enhancement for scientists; pensions and avoid supplementary expenditures on the same.

Police Accommodation:
Construction of new staff housing requires an additional UGX 65.440 billion; meeting the contractual obligation of provision of Uniports requires an additional UGX 49 billion; and renovation of existing barracks has a funding gap of UGX 20 billion for FY 2023/24.

The Committee recommends prioritization of meeting the contractual obligation to avoid any litigation costs by government providing UGX 49 billion in FY 2023/24 budget.

7.14.5 VOTE 145 - UGANDA PRISONS

Silo Storage:
Uganda Prisons also intends to complete the establishment of Silo Storage facilities (3,000 MT each) at Ruimi and Lugore Prison firms. However, there is a funding gap of UGX 2.065 billion in FY 2023/24.

The Committee recommends a provision of UGX 2.07 billion be provided during the FY 2023/24 for the above storage facilities.

7.14.7 VOTE 135 - DIRECTORATE OF GOVERNMENT ANALYTICAL LABORATORY (DGAL)

Construction of the National DNA databank
A land title for DGAL was processed by Uganda Land Commission and the architectural designs of the building were approved by KCCA. The procurement process was undertaken during the current FY 2022/23 and the site was handed over to the contractor. However no funds have been released for this purpose. During the FY 2023/24, UGX 5.1 billion has been provided out of the required UGX 25 billion. This leaves a funding gap of UGX 19.95 billion.

The Committee recommends an additional UGX 19.95 billion be provided under the development budget during the FY 2023/24. In addition DGAL should make efforts to have the construction project approved by the Development Committee and be included in the multi-year commitments and the Public Investment plan.

Operationalization of DGAL regional laboratories
UGX 5.1 billion has been provided out of the required UGX 14 billion. This leaves a funding gap of UGX 8.95 billion. Over the years, Parliament has been appropriating 2 billion for the last previous FY years but there is nothing to show for it.

The Committee recommends that DGAL utilizes the provision of UGX. 5.1 billion in FY 2023/24 budget to operationalize the regional laboratories across the country.

Inadequate staff and salary enhancement for scientists:
The wage bill for DGAL has remained at current levels of UG 3.32 billion, yet government increased the salary for scientists across the board. In addition the staff levels are inadequate to be deployed in regional laboratories. Out of the approved structure of 124, only 68 positions are filled, leaving 56 vacant positions. The required wage bill therefore should be UGX 4.92 billion in FY 2023/24. This leaves a shortfall of UGX 1.602 billion to fill the staff structure as well fully.

The Committee recommends a provision of additional UGX 1.602 billion towards the wage bill for FY 2023/24 consistent with government policy of salary enhancement of scientists; and fill the vacant positions in DGAL.

7.14.8 VOTE 309 - NATIONAL IDENTIFICATION AND REGISTRATION AUTHORITY (NIRA)

Inadequate staff
The wage bill for NIRA has remained unchanged from the current FY 2022/23, despite operating at 50% staffing levels. This has hindered effective service delivery especially in districts where on average NIRA has only 2 staff serving and less than 5 in urban centers receiving up to 600 walk-ins daily. Data processing of 60,000 to 105,000 weekly records and a backlog of over 1 million is done by 10 personnel. NIRA intends to undertake a mass enrollment of 17.2 million citizens and NID renewal of 15.8 million Ugandans due to expire in the system for the citizenry in a phased approach over the next three years. This will necessitate the recruitment of more staff which requires an additional UGX 12.67 billion in FY 2023/24.

The Committee recommends that UGX. 12.67 billion be provided in the budget for recruitment of staff to undertake the mass enrollment and NID renewal exercise. Until government policy on rationalization of institutions is concluded, since NIRA is among the institutions affected by the policy.

7.15 COMMITTEE ON TOURISM, TRADE & INDUSTRY TOURISM DEVELOPMENT PROGRAM

7.15.1 VOTE 022: MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES (MTWA)

Mitigation of Human Wildlife Conflicts

The increase in Human wildlife conflict is mainly a result of the increase in human and wildlife population as well as the climate change and invasive species which eat up the grazing space in protected areas. The Committee was informed of the proposal of Electric fencing of additional 230 kms of Protected Area boundary and Maintenance of the existing fence at a cost of 13.7 billion.

The priority intervention is in line with the Wildlife Act 2019 which needs to be implemented to protect the integrity of Uganda's wildlife heritage resources as well as the protection of the host communities.

The Committee recommends that UGX. 13.7 billion be provided in the budget for Electric fencing of additional 230 kms of Protected Area boundary and Maintenance of the existing fence

The Committee observed that the Discretionary budget will reduce from 25.401 Trillion to 22.868 Trillion in FY 2023/24. This will be partly achieved by effecting budget cuts on some programs. The Committee further observed that the NDP III identified tourism as a game changer for Uganda's economy.

The Committee believes that the Tourism Development Program suffered budget cuts to boost budget for Public debt repayments by reducing discretionary Spending. The Committee however notes that reduction of discretion budget to boost payment of public debt repayments should not affect the Tourism Development Program because tourism sector is key in generating Foreign Exchange which is much needed foreign debt repayments.

The Committee recommends that Government should reinstate the approved tourism budget of UGX.189.9Bn

7.15.2 MINISTRY OF TRADE INDUSTRY AND COOPERATIVES

Capitalisation of UDC

The Ministry of Trade is the lead Ministry for the Manufacturing Program and its total proposed budget is UGX.46.778Bn with a development component of UGX 0.226Bn. Industrialization and Market access are

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well pronounced in the theme for the National Budget Framework Paper and the capital intensive nature of Industrialization cannot be over emphasized. The Ministry also takes lead of market access in terms of bilateral negotiations and agreements.

Secondly, Government plans to sustain economic recovery and build economic and enterprise resilience for the FY 2023/24 by focusing on six strategic intervention areas including capitalization of UDC yet no funds have been allocated for this purpose.

The Committee recommends that Government should capitalize UDC with UGX 205.19 billion in order to promote industrialization and value addition. This will support import substitution and improve Uganda's balance of payment position.

7.15.3 VOTE 154 UGANDA NATIONAL BUREAU OF STANDARDS (UNBS)

Budget cuts

The Committee observed that the theme of the National Budget Framework Paper for FY2023/24 is "Full Monetisation of the Ugandan Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access". UNBS supports market access through quality assurance for Ugandan products.

UNBS suffered budget cuts in FY 2022/23 and further cuts are proposed in FY 2023/24. The budget cuts will gravely affect the operations of the UNBS because it will not be able to send staff to the field to monitor the quality of goods and services on the market. The low consumer education and public awareness on quality and standards affects consumers in making informed choices in order to reject substandard goods and services on the market.

Furthermore, the plan for decentralization of services will be affected yet some areas like West Nile, Rwenzori and Albertine do not have services of the UNBS.

In terms of market access, Uganda has negotiated for a number of bilateral agreements in international, continental and regional markets. Therefore Uganda needs to have quality assurance of its products to be able to compete in those markets and also locally, the budget cuts will therefore affect Uganda's competitiveness in terms products in terms of quality assurance.

Impact of Budget Cuts on the Bureau's Operations:

i) Gratuity Obligations of UGX 7 Billion was omitted in the current Budget FY 2022/23 which exposes the Bureau to breach of employment contracts for its staff. Even in the FY 2023/24, gratuity has not been provided which will lead to accumulation of arrears which may lead to litigation.

ii) The reduction of the Bureau's Budget in FY 2022/23 of UGX 65.05 Billion to UGX 41.28 Billion (37% reduction) has grounded the Bureau's operations and therefore it cannot execute its planned activities. In the proposed FY 2023/24 the Bureau's budget has further been cut to UGX 37.43bn.

iii) The Bureau will not be able to support the Local Enterprises and Industries to improve the Quality of their Products which is critical for access of Exports Market. UNBS will not be able to provide the required services by the business community who will have already paid for the services since the money released to the Consolidated Fund does not come to the UNBS in totality.

iv) The Bureau will not able to enforce quality standards for products on the Market in order to protect the safety of consumers and promote fair trade.

v) The Bureau cannot continue to implement its decentralization Agenda of taking services nearer to the Regional Offices planned for Northern, Western, Eastern, West Nile, Rwenzori and Albertine Regions in order to reduce the cost of doing business.

vi) The Bureau cannot deploy the newly recruited 53 Staff due to lack operational funds to execute the planned activities.

The Committee recommends that Government should reinstate the UNBS budget of UGX37.43bn

Inadequate funding

The Committee UNBS has the following unfunded priorities as shown in the table below.

Table 21: UNBS unfunded Priorities for FY 2023/24

Priorities areas	Amount, UGX Bn	Implications
Enforcement of Quality Standards on the Market	10	Failure to regulate the safety and quality of products on the market
Certification of Locally made products to comply with relevant and quality standards	5	Failure of Ugandan products to access Regional and other Export Markets

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Purchase of Laboratory Chemicals, Reagents & Consumables plus maintenance of Lab Equipment	3	Failure to analyse samples of products submitted to the Laboratories for assessment
Subscription and participation in other International Standards Organizations Activities	2	Failure to adopt and harmonize international standards required to facilitate Export trade
Recruitment of Additional Staff to Decentralize UNBS Services to Regional Offices and Unmanned Border Posts/Entry Points	5	Failure to support Local Industries produce competitive quality products and regulate cheap substandard imported products on the Market.
TOTAL	***25***	

The Committee recommends that Government should provide a budget for the unfunded priorities amounting to UGX 25 billon.

8.0 CONCLUSION

Rt. Hon Speaker, in accordance with Section 9(8) of the PFM Act 2015 and Rule 145 of the Rules of Procedure of Parliament; the Committee recommends that, the proposed National Budget framework Paper of FY2023/24 - FY2027/28 be approved by Parliament with amendments as per the Committee's recommendations.

Rt. Hon Speaker and Members, **Annex 1** provides a summary of funding requirements to cater for critical Government programmes.

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Annex 1: Unfunded /Underfunded priorities FY2023/24

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS					
Ministry of Justice and Constitutional Affairs	Salary Enhancement			5.26	To the Ministry of Justice and Constitutional Affairs to enhance staff salary to a similar level of its counterparts in Judiciary and ODPP
	Cattle compensation to War Debt Claimants				To compensate War Debt Claimants in Teso, Acholi and Lango sub-regions for the loss of livestock and other properties during the insurgency in Northern Uganda.
Inspectorate of Government	Construction of IG Head Office Building			40.85	To complete the construction of the Head Office by June 2024
Parliamentary Commission	Non-Wage recurrent shortfall			76.25	To cater for the projected non-wage current shortfall.
	Wage shortfall.			8.79	provided to Parliamentary Commission to cater for wage shortfall for MPs and staff
	Development Budget shortfall			107.65	to cater for construction of the Chambers, procurement of vehicles and upgrade of the ICT infrastructure
Vote 102 Electoral Commission (EC)	Wage enhancement			11.1	Staff Wage enhancement and recruitment for staff for the new office in the newly created districts
	Women Councils/Committees			20	To support the Commission to conclusively conduct

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	Elections				Women Council/Committees Elections.
	Operationalization of offices in the ten (10) new cities and Terego District			7.26	To operationalize offices in ten new Cities and Terego District.
Vote 133 The Office of Directorate of Public Prosecutions (ODPP)	Inadequate Staffing			14	To facilitate the ODPP recruit and promote staff with the aim of increasing the scope of criminal prosecution services across the country.
Sub-total					
COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES					
Vote 017 Ministry of Energy and Mineral Development	Implementation of CDAP for Karuma and Isimba HPPs			45	ensuring that the Project Host Communities' Livelihoods are restored or made better in accordance with best practice
	LPG Supply, Promotion and Infrastructure Intervention Project			92	To ensure more Ugandans will have converted to LPG for cooking
	Underfunding of Petroleum Authority of Uganda			45.5	To enable PAU effectively execute its mandate in the oil and gas sector.
	Outstanding Social Security Contributions			1.78	To settle outstanding NSSF contributions.
Vote 019: Ministry of Water and Environment	Repair and Maintenance of Boreholes			30	repair and maintenance of the already existing boreholes.
	Improvement of Water Storage and Network Expansion Countrywide			50	used to improve water storage and network expansion countrywide
	Solar Powered Irrigation and Water Supply Systems			22	to increase access and use of water for agricultural

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					production
	Restoration of the Environment through Tree Planting			30	The tree seedlings will be used for restoration of forest cover and degraded wetlands.
	NWSC -Outstanding Financial Obligations under Water Service Acceleration Project (SCAP 100)			42	to clear outstanding financial obligations.
	Outstanding obligations under Kampala Sanitation Project (KSP)			50.433	To clear outstanding financial obligations under the project.
	Outstanding obligations under Integrated Water Management and Development Project (IWMDP)			17.18	clear outstanding financial obligations under the project
Vote 157: National Forestry Authority	Forest Encroachment			1.5	for re-surveying **and demarcation** forest boundaries.
	Budget for provision of Tree Seedlings			4	to provide tree seedlings under NFA for restoration of forests and tree cover
Vote 150: National Environment Management Authority	Wage Budgetary Constraints under NEMA			12.1	to enable NEMA recruit additional staff to execute its mandate especially under the oil and gas subsector.
	Automation of Environmental Social Impact Assessments			**11.25**	Environment Monitoring and Licensing Systems should be procured
	Purchase of Environmental Monitoring Fleet			4.74	purchases of vehicles to replace the aging fleet
COMMITTEE ON EDUCATION AND SPORTS					
Vote 013- Ministry of	Budget Cuts			170.95	To reinstate budget cut from various

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
Education and Sports					subventions under the sub-programme as all the areas cut are critical towards attaining quality Education
	Uganda Allied Health Examinations Board-UAHEB budget shortfall			6.36	Recruit more staff and train examiners.
Vote 122 Kampala City Council Authority-Kcca	Adjustment in capitation grants for UPE schools			1.3	for revised capitation grants for UPE, USE/UPOLET and SNE subvention to KCCA schools.
164 National Council For Higher Education-NCHE	Inadequate funding for the Council			1.262	recruit additional 16 staff to effectively discharge its duties as a regulator for higher education
Vote 111 National Curriculum Development Centre-NCDC	Budget Cuts effected on critical budget lines			42.16	roll out of revised Early Grade reading Materials, Roll out of Kiswahili curriculum in upper primary, development of A 'level curriculum, domestic and gratuity arrears and missing components of the printing press
Higher Education Students Financing Board-HESFB	Inadequate funding			26.5	providing loans and scholarships to Ugandan students who are unable to finance their Higher Education
Vote 166 National Council Of Sports-NCS	Reinstatement of budget of NCS			47.8	reinstating budget of NCS to previous year budget level
	refurbishment and renovation of Sports facilities			50	to kick start the development of the complex at Lugogo and the National stadia regionally in the medium term
VOTE 301 Makerere	Inadequate funding for rehabilitation of			52	for renovation of the schools of medicine

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
University	dilapidated infrastructure				and 10 halls of residence and UGX 53bn for construction and equipping of laboratories at the College of health Sciences and College of Veterinary Medicine, Animal Resources and Bio Security
VOTE 304 Kyambogo University	Dilapidated Infrastructure			11	address the issues of renovation of student hall (9bn) and removal of asbestos sheets from buildings renovation and conversion of 20 accommodation facilities into offices (2bn).
VOTE 305 BUSITEMA UNIVERSITY	completion and equipping of Medical School			7.3	fast track and complete the rehabilitation of the Medical School and equip it as is required by the NCHE standards.
VOTE 306 Muni University	Inadequate funding to Muni University			4.8	recruit staff needed to lecture the 3rd and 4th year students of Agriculture and Management Sciences.
VOTE 312 Uganda Management Institute-UMI	Inadequate Capital Development funds for UMI			3	additional UGX 1.5bn for construction of new classroom blocks at Mbale and Mbarara and UGX 1.5bn to kick start the construction of multi-purpose building at the Kampala Branch
VOTE 313 Mountain Of The Moon University	Inadequate development budget			5.41	re-instates Mountain of the Moon University development budget

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	retooling budget			5.4	additional UGX 5.4bn as retooling budget
	Construction of science laboratory, lecture rooms and research block			20	
COMMITTEE ON HEALTH					
Vote 014 Ministry of Health	Wage shortfall			7.5.4	Provide for wage shortfalls in the Ministry of Health and other Agencies.
	RRHs for infrastructural gaps			23.8	for infrastructural gaps to improve provision of healthcare to the expected standards
	Inadequate Budget Provision for Wage Requirements			63.7	provide for the wage shortfalls in MoH, Gulu, Yumbe, Lira, Kiruddu, Soroti, Kabale, Kayunga, Kawempe, Entebbe and Naguru should be prioritized in FY 2023-24 to avoid disruptions arising from a possible supplementary for these foreseeable wage shortfalls.
	Funding for support renovation & equipment of Hospitals			24.1	Fast-track Renovation and equipping of hospitals & health facilities.
	Upgrade of HCIIs to HC IVs & Renovation of existing ones.			30	Upgrade of HCIIs to HC IVs & Renovation of existing ones.
	Shortfall in operation funds for primary health care services (PHC) in the FY 2023/24			24.7	To cater for the newly upgradred health centre III, Health Centre IV and General Hospitals.
	Support to Uganda Red Cross			4.6	To support blood donor mobilisation and emergency response to disease outbreaks.
	Annual surgical camp conducted by the Association of Surgeons			0.3	
	Diagnostic equipments			1.3	For early detection

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	for detection and treatment of cancer of cervix for Reginal Referral Hospitals				and treatment of cancer of cervix
Vote 151 Uganda Blood Transfusion Services	Procure six (6) vehicles			1.87	Facilitate blood collection activities.
	Procurement of centrifuges for the six (6) regional blood banks			2.4	For preparation of blood components so that patients get the right prescribed treatment and minimise wastage of blood.
	Recruitment of staff to fill the UBTS 128 vacant positions			2.6	Boost blood collection, processing and distribution services. In addition enable operationalisation of Mengo Hospital Rotary Blood Bank which was handed over to the Government.
Uganda Heart Institute	Purchase of equipment for the Catheterisation Laboratory.			7.6	The catheterisation laboratory at Uganda Heart Institute is 10 years old, out of warranty and spare parts. It has exceeded its recommended years of operation.
	Operationalization of Ward 1C.			20	This will cater for wages for 118 ICU staff (UGX 7billion), drugs and medical sundries for surgery and catheterisation procedures (UGX 10.765 billion), maintenance and service contracts (UGX 2.235 billion).
	Funds for equipment maintenance.			0.769	provided for equipment maintenance.
Vote 401 Mulago National Referral	Ongoing project to construct 150 staff housing units its			8	Provide conducive staff accommodation to ensure 24 hour

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
Hospital					availability.
	Funds for commencement of kidney transplant services			1.2	Kidney transplant provides a better alternative but patients in Uganda cannot access transplant locally. Mulago has the necessary infrastructure, human resource and equipment.
	Maintenance of equipment			3	Mulago operates delicate diagnostic equipment which needs periodic maintenance and timely repair services. Some of the equipment is outside the warranty period.
	Under-funding for electricity bills			2	Should be provided next FY 2023/24 to clear outstanding arrears.
	Procurement and installation of a solar system			1	To mitigate the increasing electricity consumption due to new machinery and equipment installed to support numerous specialised services.
	Procurement Specialised medicines			5	
Vote 320 Mulago Specialised Women And Neonatal	Training of specialists			0.38	To enable training of the much-needed human resource
	Procurement of two (2) LEEP machines			0.18	For early treatment of cancer of the cervix that is detected early
Butabika Hospital	Arrears on Salary enhancement of Staff			0.622	To provide for arrears arising out of salary enhancement.
	Shortfalls in medicines and Health Supplies			1	To provide for additional medicine and health supplies arising out of increased patient

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					levels.
	Shortfalls for Uniforms & Meals.			1	Provide UGX 1bn for uniforms and UGX 1bn for food.
Kawempe Hospital	Overhaul of Plumbing system & remodelling costs.			1	To undertake overhaul of the plumbing system and remodelling to support the increased patients numbers.
	Shortage of funds for medicines & Health supplies.			1	To provide for additional medicines and health supplies due to increased patient levels.
	Shortage of funds for equipment maintenance & extension of oxygen.			0.42	To provide for repairs and service costs and oxygen supplies to increase service provision.
	Purchase of additional land for expansion.			10	To facilitate expansion of services as expected for National referral hospital.
Kiruddu Hospital	Funds for support to Burns Unit			1	To procure adequate medicines and sundries as well as intensive nursing care.
	Purchase of land for expansion			5	To facilitate expansion of services as expected for National referral hospital.
	Funds for Medicines and health supplies			1	Procure additional medicines and medical supplies due to increased patient numbers.
	Installation of Solar system.			0.44	To install Solar systems and cut back on power bills.
	Decentralisation of dialysis services to regional centres			4	Decentralisation of dialysis services to regional centres
Naguru Hospital	Overhaul of Plumbing system & remodelling costs.			1	To undertake overhaul of the plumbing system and remodelling to support the

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					increased patients numbers.
	Purchase of land for expansion			23	To facilitate expansion of services as expected for National referral hospital.
National Medical Stores	Additional medicines and supplies			87	To enable entities boost supplies of EMHS
	Procurement of kit of glucometers , BP machines and thermometers			4	
	Additional medicines and supplies to General military Hospital			2.9	To provide the required medical care as a regional referral hospital
Regional referral Hospitals	Recruitment of Staff			30	To reduce on the staffing shortfalls for senior Consultants, Consultants, Medical Officer Special grade in all RRHs.
	Infrastructural Development			23.8	To reverse the budget cuts under RRHs development and provide for completion on ongoing projects in various RRHs.
COMMITTEE ON PHYSICAL INFRASTRUCTURE					
Vote 016: Ministry of Works and Transport	Road Maintenance Equipment for 16 New Districts			27	to enable procurement of the entire equipment.
	Road Safety Interventions			5	additional UGX 2Bn towards Stepping up Road Safety Education and Awareness, Supporting research and road safety data management (0.5Bn), Capacity Building on Road Safety coordination and Management (0.5Bn) and Operationalization of the Traffic and Road

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					Safety Act 1998 (Amendment) Act 2020(2Bn)
	Funding for Uganda Railways Corporation			61.659	for operational costs of URC
	Compensation of Project Affected Persons on the Standard Gauge Railway Project			247.32	for compensation of PAPs and the balance be provided in the next FY to ensure smooth construction of the SGR.
	Declining Budget for District, Urban and Community Access Roads (DUCAR)	348.04	124.42	223.6	To be maintained at the budget of the FY for 2023/24 level.
	Inadequate funding to National Building Review Board			10.7	to address the funding gaps
	Government Debts owed to Civil Aviation Authority			**137.9**	deduct from the affected MDAs monies owed from their budget of FY 2023/24 and pays directly to CAA
	Uganda Airlines - acquisition of two cargo freighters and; UGX 7.565Bn for Ground Handling			14.176	for acquisition of two cargo freighters- UGX 6.611Bn and; UGX 7.565Bn for Ground Handling
Vote 113: Uganda National Roads Authority	Arrears to contractors			599	To enable it pay arrears in order avoid further interest payments.
Vote 122 Kampala City Council Authority (KCCA)	Debts owed to service providers.			22	To cater for debts owed to service providers.
	URF to clear the funding gap			0.4	URF to clear the funding gap
	Road Maintenance and Rehabilitation			73.65	rehabilitation and maintenance of City roads and the drainage

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	Kampala City Drainage Improvement			16	for drainage improvement be maintained.
Vote 012: Ministry Of Lands, Housing And Urban Development	Construction of Low-cost Housing for Ugandans			88	Capitalization balance of UGX 88Bn be paid to NHCC in the budget of the FY 2023/24.
Vote 156 Uganda Land Commission	Court Cases			5.6	to cater for court compensations to clients of ULC
PUBLIC SERVICE AND LOCAL GOVERNMENT					
VOTE 005 MINISTRY OF PUBLIC SERVICE COMMITTEE	Vehicles for former leaders (UGX 1.6 bn)			1.6	to fulfill the statutory obligation under provisions of the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010 to avoid supplementary budget requests
	Induction of all newly recruited officers in MDAs and LGs			2	to enable them induct of all newly recruited officers in MDAs and LGs.
Vote 146: Public Service Commission	Capacity gaps			0.65	to enable the Commission build the capacity for Commission to meet the current challenges.
	ICT infrastructure, retooling and Maintenance			0.638	to enable the Commission upgrade its ICT infrastructure to support the E-recruitment
Vote 011 Ministry of Local Governments	startup for 10 new Districts			10	for the construction of office blocks for the startup for 10 new Districts which were replaced by the 10 Cities for the construction of their new office

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					headquarters
	Physical planning for the 10 Cities and the 31 Municipalities			8.2	to carry the physical planning for 10 Cities and the 31 Municipalities.
	Integrated Revenue Administration System (IRAS)			13.988	fast track and support the rollout of the Integrated Revenue Administration System (IRAS) to 64 remaining Local Governments with adequate financing to reach all votes in LGs to ensure efficient generation of revenue Additional UGX. 13.988 bn to Local Government Finance Commission
	Additional staff for the Commission			1.42	for the Commission to recruit additional staff to respond to the increased work load
	Additional Non-wage			1.42	for the Commission to cater for the non-wage to cater for gratuity and NSSF
	Construction of the new sub-counties headquarters			21	Construction of office blocks for the newly created Sub Counties. This is envisioned to improve productivity of staff as well as increasing value for money.
COMMITTEE ON INFORMATION COMMUNICATION TECHNOLOGY & NATIONAL GUIDANCE					
VOTE 020: MINISTRY OF	Gross underfunding of			4.92	To boost the Digital Transformation

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
ICT& NATIONAL GUIDANCE	the Digital Transformation Programme				Programme.
	Uganda Broadcasting Corporation- Digital Transformation programme (DTP)			5	to UBC to expand the Digital Transformation Programme.
	Uganda Broadcasting Corporation- Public Sector Transformation (PST)			3	to UBC for the public sector transformation
	Uganda Broadcasting Corporation- The Wage deficit of UGX 6.523bn annually			6.523	to UBC for enhancement of the wage bill. This payment, the Committee
	Uganda Institute Of Information Communication Technology- Continued funding for Government Sponsored Students			5.67	to cater for the 1200 Government sponsored students in the institution for the FY 2023/24
	Uganda Institute Of Information Communication Technology- Enhancement of infrastructure capacity for ICT skills Development			2.4	Government allocates UGX 2.4 bn towards ICT skills development and initiatives.
Vote 126: National Information Technology Authority	Enhancement of the National Data Center			8	allocated to NITA-U for the enhancement of the National Data Centre
	Provision of ICT services to additional 781 sites connected			26.7	To NITA-U for the provision of ICT services to additional seven hundred eighty one (700) sites
COMMITTEE ON PRESIDENTIAL AFFAIRS					
Vote 001-Office of The President	Non-funding for Investiture Ceremonies			9.1	to enable the Entity organize the

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	and Patriotism activities				Investiture Ceremonies and also carry out Patriotism activities
	Lack of funding for the Intelligent Transport Monitoring System			1.5	for activities of Project Monitoring Team during implementation of the Intelligent Transport Monitoring System
	Procurement of Medals for Awards			4.23	provided to Vote 001, Office of the President to facilitate investiture ceremonies and procurement of medals for awards
	Facilitation for newly recruited Presidential Advisors			5.1	to facilitate the newly appointed Presidential advisors in form of procurement of vehicles and other operations.
	Continuous capacity building for members of Cabinet & the Permanent Secretaries			1.3	to facilitate bi-annual capacity building of members of cabinet and Permanent Secretaries
	Revitalization of the Office of the Head of Public Service			6.5	Revitalization of the Office of the Head of Public Service
	Inadequate Office Accommodation for the RDCs			7	to enable the Office of the President construct 20 Offices each Financial Year so as to mitigate the challenge of Office accommodation of RDCs in the medium term
	Maintenance of Structures at National Leadership Institute (NALI)			2	for facilitate NALI refurbish and maintain the facility.
	Operationalization of the Presidential Advisory Committee for Exports and Industrial			3.53	for the work plan and attendant annual budget of PACEID

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	Development				
	Facilitation of Resident District Commissioners			4.5	to provide an enabling environment to enable them deliver on their mandates
Vote 158: Internal Security Organisation	Facilitation to Internal Intelligence Collection by ISO			20	to enable ISO enhance facilitation to Internal Intelligence collection.
	Enhancement of Technical Infrastructure			3.55	to enable ISO procure the much needed technical equipment for effective and efficient delivery of the mandate bestowed on them
7.8.3 Vote 159: External Security Organisation	Retooling of External Security Organization			5	provided to enable ESO acquire the modern technical and transport equipment as well as classified assorted assets
	Budget Enhancement to Administration and Finance			6	provided to enable ESO effectively execute its mandate
Vote 167 – Science, Technology And Innovations	Lack of Budget Provision to Pathogen Economy Projects			30	provided to Vote 167 to enable STI facilitate Development and Commercialization of Human Vaccines (UGX. 8.0 bn), Animal Vaccines (UGX. 10.0 bn), Human, Animal and Plant Diagnostic Kits Commercialization (3.0 bn). Therapeutics Development and Commercialization (UGX.bn) and Human Capital Development (UGX. 2.0 bn)
VOTE 023 – Ministry of KCCA	Policy, Planning and			1.72	provided to the Ministry of Kampala

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
& MA	Budgeting Services				Capital City and Metropolitan Affairs, to facilitate implementation of activities that result into a befitting City.
	Slum upgrading detailed studies in GKMA			2.5	be allocated towards undertaking critical feasibility studies on slum upgrading for the FY 2023/24
Vote 122 – Kampala Capital City Authority (KCCA)	Short fall in MTEF allocation for KCCA provision of Integrated Transport Infrastructure.			30	provided to enable KCCA construct, upgrade and maintain the City road infrastructure
	City Legislature.			6	provided to enable KCCA to deliver on its legislative mandate
VOTE 003 – Office of The Prime Minister	Budget enhancement for Strengthening Government Wide Coordination, Monitoring and Evaluation			34.05	to facilitate budget enhancement for Strengthening Government Wide Coordination, Monitoring and Evaluation.
	Strengthening existing Community Level Disaster Risk Management Capacities			12.563	to Program 02 – Disaster Preparedness and Refugee Management, Office of the Prime Minister as a subvention to Uganda Red Cross Society in the FY 2023/24 to enable the Society effectively undertake the interventions contained in the stated four objectives
COMMITTEE ON FOREIGN AFFAIRS					
Vote 006 Ministry of Foreign Affairs	Budget cuts under the Programs			18.173	reinstate funds (UGX 18.173bn) in the respective MTEF to enable the Ministry

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					of Foreign Affairs and Missions Abroad to implement their planned activities, such as the promotion of Economic and Commercial Diplomacy (ECD) as well as Tourism.
	Budget cuts and the freeze on travel abroad, workshops and seminars.			16.196	for travel abroad, workshops and Seminars to enable MoFA and Missions Abroad effectively execute their mandates
	Contributions to International Organisations pay annual subscription			19.64	to enable the Ministry pay annual subscription to the International Organisations.
	Contributions to International Organisations clear all the outstanding arrears.			48.772	to enable the Ministry clear all the outstanding arrears.
Foreign Missions	Critical unfunded priorities	14.27	0	14.27	Critical unfunded priorities
COMMITTEE ON GENDER, LABOUR AND SOCIAL DEVELOPMENT					
Vote 018 Ministry of Gender, Labour And Social Development	Budget Cuts to the Ministry			170	budget cuts totaling to UGX 170 billion be reinstated
	Underfunding for the Special Assistance Grant for Empowerment (SAGE)			98.54	**iv)** An additional UGX 97.04bnforMinistry of Gender, Labour Social Development for the implementation of the Special Assistance Grant for

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					Empowerment; **v)** An additional UGX 1.5bn for the Ministry of Gender, Labour & Social Development to clear arrears of beneficiaries.
	Funding for the Green Jobs and Fair Labour Market Programme (Jua Kali)			4.98	the budget for promotion of green jobs reinstated by allocation of UGX 4.98bn to the Ministry of Gender, Labour & Social Development for the implementation of the Green Jobs and Fair Labour Market Programme.
	Funding for the Green Jobs and Fair Labour Market Programme (Jua Kali)			38.4	additional UGX 38.4 for Ministry of Gender, Labour & Social Development to extend the programme to all constituencies in the country
	Funding for the Equal Opportunities Commission				UGX 2bn for strengthening the capacity of state and non state actors to mainstream equal opportunities and affirmative actions in all policies, laws, plans, programs, activities, practices, 2traditions, culture and customs

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	Funding for the Equal Opportunities Commission			2	UGX 2bn to increase tribunal hearings under access to justice for marginalised groups;
	Funding for the Equal Opportunities Commission			2.5	UGX 2.5bn for awareness creation on issues of equal opportunities and affirmative actions
	National Apprenticeship and Graduate Volunteer Scheme			5	provided in the FY 2023/24 to kick start the implementation of the National Apprenticeship and Graduate volunteer scheme.
	Funding for the Uganda National Cultural Centre			5.77	UGX 0.77be allocated to the Ministry of Gender, Labour & Social Development to cater for salaries of staff at the Uganda National Cultural Centre UGX 5bn be allocated to the Ministry of Gender, Labour & Social Development to cater for planned activities at the Uganda National Cultural Centre
	Redevelopment for regional centre in the country.			42	Allocated to the Ministry of Gender, Labour & Social Development for the redevelopment for regional centre in the country.
	Elimination of Child Labour and School-drop			59	To support the provision of

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
	Out Programme				practical/vocational training for work-ready skills to children of 12-17 years to enable them transit into the labour market, integrate children in child labour and withdraw from the street children between 5 to 11 years into the schooling system in UPE schools.
COMMITTEE ON FINANCE PLANNING AND ECONOMIC DEVELOPMENT					
Vote 008: Ministry of Finance Planning And Economic Development	Continued build-up of stock of domestic arrears;			600	for payment of domestic arrears targeting Ugandan companies that supplied Government and their claims were verified by the Internal Auditor General
Vote 314: National Lotteries and Gaming Regulatory Board	National Electronic register of gaming machines and devices			5	allocated to the National Lotteries and Gaming Regulatory Board for the establishment of a National Electronic register of gaming machines and devices for purposes of enhancing revenue generated from the sector.
Financial Intelligence Authority (Fia)	Recruitment of additional staff			1	since recruitment has commenced the additional request for UGX. 1 billion for

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					recruitment of more workers in FY 2023/24 be deferred to FY 2024/25.
	Enforcement of compliance with Anti-Money Laundering Laws			2.5	allocated to FIA for the enforcement of compliance with anti-money laundering laws in order for the country to be removed from the gray list by the Financial Action Taskforce.
	Enhancement of IT Systems			6	allocated to FIA for the enhancement of its IT systems for FY 2023/24.
Office of The Auditor General	Increasing audit scope and range of audit work.			15	**iii)** Funding request for recruitment of additional workers be phased over the next 3 financial years. Accordingly, UGX 5 billion be allocated for recruitment of AOG workers in FY 2023/24. **iv)** for expansion of scope to include value for money audits and UGX. 10 billion be allocated to the OAG for

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					FY 2023/24.
Vote 138 Uganda Investment Authority	Development of Industrial and Business Parks			10	cover both the Owner's Engineer (Kampala Industrial and Business Park, Namanve) activities as well conducting feasibility studies
Vote 141 Uganda Revenue Authority	implementation of the Domestic Revenue Mobilisation Strategy			80	support the implementation of the Domestic Revenue Mobilisation Strategy to enable the agency collect adequate revenue to finance the budget and enhancement of revenue collection and administration.
	staff recruitment and wage enhancement			100	staff recruitment and wage enhancement
Vote 129 Uganda Free Zones Authority	Completion of the Entebbe International Airport Free Zone			5.92	UGX 4 billion be provided to UFZA for completion of construction of the Entebbe International Airport Free Zone The Vote MTEF allocation in the BFP be enhanced by an additional UGX. 1.92 billion for UFZA
Vote 318 Uganda Microfinance Regulartory Authority (UMRA)	Inadequate staffing			1	For recruitment of additional workers
	Inadequate non wage recurrent			1	MTEF allocation in the BFP be enhanced

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES					
MAAIF	Water for Production	35	20	15	Provided for purchase of additional water facility construction equipment.
MAAIF	Mechanisation	25	0	25	billion to facilitate Agriculture mechanization across the country
DLG	Support to production, marketing and extension	124.76	0	124.76	Reinstate budget to support production, marketing and extension
MAAIF	Food Security	500	100	400	for food security and related interventions (food production, silos and stocking)
MAAIF	Tsetse fly control equipment and surveillances	3	0.7	2.3	Provided to combat the infestation.
UCDA	Reinstatement of UCDA budget	69.94	47.51	22.43	
UCDA	Construction and equipping of two (2) regional coffee quality certification laboratories in Mbale and Kasese	9.3	0	9.3	
UCDA	Provision of primary processing equipment (wet mills, motorized pulpers, hullers, 60 solar driers and 750 drying trays)	6.25	0	6.25	
NARO	Generation of new varieties for increased yields and disease resilience	81.59	62.56	19.03	to undertake research and Generation of new varieties for increased yields and disease resilience
NARO	Production of anti-tick vaccine in livestock	20	0	20	Facilitate production of anti-tick vaccine to save farmers from the reported fake vaccines on the market.
NARO	Undertaking aflasafe research	13.57	0	13.57	Provided for the roll-out of the Aflasafe product.

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
NAGRC&DB	Establishing, equipping and maintenance of four (4) animal feeds processing plants on government ranches	20	0	20	for the establishment, equipping and maintenance of fish, poultry and animal feeds processing plants
NAGRC&DB	Conduct community breeding activities	10	0	10	to provide superior breeding stock to enhance the genetics of poultry, fish and animals for local communities
NAADS	Procurement and distribution of Macadamia seedlings	3.44	0	3.44	
NAADS	Procurement and distribution of Cashew nut	6	0	6	
NAADS	Procurement and distribution of Sunflower seed	6	*0*	*6*	
NAADS	Procurement and distribution of Soybean seed	3	*0*	*3*	
NAADS	Procurement and distribution of Hass Avocado seedlings	6	0	6	
NAADS	Acquisition of assorted hoes to support intensive production at parish level	20	0	20	distribute hoes to the remaining districts that have not yet received
DDA	Rehabilitation of dairy infrastructure (Mbale milk factory and supporting cold chain infrastructure)	4.2	0	4.2	for the rehabilitation of the Mbale Milk factory
CDO	support about 1,000 farmers with ox plough for land opening and weeding	1.19	0.046	1.144	
Sub total		**968.24**	**230.816**	**737.424**	
COMMITTEE ON EAST AFRICAN COMMUNITY AFFAIRS					
EAC	EAC Gratuity and pension arrears.			1.72	for countrywide data collection and verification of all claims of the defunct EAC employees using existing District Local

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					Government structures
EAC	EAC Mandatory and statutory meetings			2.2	to facilitate MEACA to participate in key regional mandatory and statutory meetings and Ministerial engagements.
EAC	Promotion of Kiswahili as official language	**3.25**	**0**	3.25	
EAC	Political confederation and constitution meetings			0.460	
EAC	Bilateral engagements			0.680	
EAC	Sensitization and public awareness on trade opportunities			**1.40**	
COMMITTEE ON DEFENCE AND INTERNAL AFFAIRS					
Vote 009 - Ministry of Internal Affairs	Reception Centres for rescued trafficked persons	12.25		5	to kick start the establishment of reception centres for trafficked persons and the balance be provided over the medium term.
Vote 120 – National Citizenship and Immigration Control	Land acquisition, construction and infrastructure development		3.226	1	used to undertake feasibility studies and project documents for approval by the Development Committee
	ICT systems			3.5	to kick start the process of digitizing 3.5 million old manual records; develop a warehouse and dispatch module for Kyambogo passport collection Centre; and migration of the old

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Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
					passport data to the new system
VOTE 144 - Uganda Police Force	Implementation of the Regional Forensic Referral Centre Project			6	enhance scientific based technical capacity in carrying out investigations
	salary enhancement for scientists			7	cater for salary enhancement for scientists; pensions and avoid supplementary expenditures
	Police Accommodation			49	prioritization of meeting the contractual obligation to avoid any litigation costs by government
Vote 145 - Uganda Prisons	Silo Storage			2.07	complete the establishment of Silo Storage facilities (3,000 MT each) at Ruimi and Lugore Prison firms
Vote 135 - Directorate Of Government Analytical Laboratory (Dgal)	Construction of the National DNA databank			19.95	Construction of the National DNA databank
	Operationalization of DGAL regional laboratories:			5.1	to operationalize the regional laboratories across the country.
	Inadequate staff and salary enhancement for scientists:			1.602	consistency with government policy of salary enhancement of scientists; and fill the vacant positions in DGAL.
vote 309 - national identification and registration authority (nira)	Inadequate staff			12.67	provided in the budget for recruitment of staff to undertake the mass enrollment and NID renewal exercise
COMMITTEE ON TOURISM, TRADE & INDUSTRY					
VOTE 022: Ministry of Tourism, Wildlife	Mitigation of Human Wildlife Conflicts			13.7	provided in the budget for Electric fencing of additional

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
And Antiquities (Mtwa)					230 kms of Protected Area boundary and Maintenance of the existing fence
	Reinstate the approved tourism budget			189.9	reinstate the approved tourism budget to the prior year level
Ministry of Trade Industry And Cooperatives	Capitalisation of UDC			205.19	capitalize UDC with UGX 205.19 billion in order to promote industrialization and value addition
VOTE 154 UGANDA NATIONAL BUREAU OF STANDARDS (UNBS)	Budget cuts				The Committee recommends that Government should reinstate the UNBS budget
	Enforcement of Quality Standards on the Market			10	Failure to regulate the safety and quality of products on the market
	Certification of Locally made products to comply with relevant and quality standards			5	Failure of Ugandan products to access Regional and other Export Markets
	Purchase of Laboratory Chemicals, Reagents & Consumables plus maintenance of Lab Equipment			3	Failure to analyse samples of products submitted to the Laboratories for assessment
	Subscription and participation in other International Standards Organizations Activities			2	Failure to adopt and harmonize international standards required to facilitate Export trade
	Recruitment of Additional Staff to Decentralize UNBS Services to Regional Offices and Unmanned Border Posts/Entry Points				Failure to support Local Industries produce competitive quality products and regulate cheap substandard imported products on the Market

Agency	Intervention	Required (UGX Bn)	Provided (UGX Bn)	Gap UGX Bn)	Justification
Grand Total				6,124.32	

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MEMBERS OF THE COMMITTEE ON BUDGET WHO CONSENTED TO THE REPORT ON THE NATIONAL BUDGET FRAMEWORK PAPER FOR FY 2023/2024 – 2027/2028

Sr. No.	NAME	TITLE	CONSTITUENCY	Signature
01	**Hon. Opolot Parick Isiagi**	**Chairman**	**Kachumbala County**	
02	**Hon. Wamakuyu Ignatius Mudimi**	**Deputy Chairman**	**Elgon County**	
03	Hon. Dr. Keefa Kiwanuka	Member	Kiboga County East	
04	Hon. Namukuta Brenda	Member	DWR Kaliro	
05	Hon. Magogo Moses	Member	Budiope West	
06	Hon. Kaberuka Ruugi James	Member	Kinkizi County West	
07	Hon. Katalihwa Donald	Member	Mwenge County South	
08	Hon. Mutono Patrick Lodoi	Member	Butebo County	
09	Hon. Lokii John Baptist	Member	Matheniko County	
10	Hon. Akamba Paul	Member	Busiki County	
11	Hon. Mwine Mpaka	Member	Mbarara City South	
12	Hon. Namujju Cissy Dionizia	Member	DWR Lwengo	
13	Hon. Ssemwanga Gyaviira	Member	Buyamba County	
14	Hon. Kateshumbwa Dickson	Member	Sheema Municipality	
15	Hon. Nayebale Sylvia	Member	DWR Gomba	
16	Hon. Aleper Moses	Member	Chekwii County	

17	Hon. Katusiime Annet Mugisha	Member	DWR Bushenyi	
18	Hon. Dr. Atim Agnes Apea	Member	DWR Amolatar	
19	Hon. Mbabazi Pascal	Member	Buwekula County	
20	Hon. Osoru Mourine	Member	DWR Arua City	
21	Hon. Kankunda Amos Kibwika	Member	Rwampara County	
22	Hon. Tinkasiimire Barnabas	Member	Buyaga County West	
23	Hon. Yeri Ofwono Apollo	Member	Tororo Municipality	
24	Hon. Ndamira Atwakiire Catheline	Member	DWR Kabale	
25	Hon. Kabanda David	Member	Kasambya County	
26	Hon. Omara Paul	Member	Otuke County	
27	Hon. Niwagaba Wilfred	Member	Ndorwa County East	
28	Hon. Nakato Mary Annet	Member	DWR Buyende	
29	Hon. Nyangweso Dennis	Member	Samia-Bugwe Central County	
30	Hon. Aciro Paska Menya	Member	DWR Pader	
31	Hon. Musherure Nayebare Kutesa Shartsi	Member	Mawogola North County	
32	Hon. Akora Maxwell Ebong Patrick	Member	Maruzi County	
33	Hon. Bayigga Michael Philip	Member	Lulume Buikwe South	
34	Hon. Muwanga Kivumbi	Member	Butambala County	

	Muhammad			
35	Hon. Nambeshe John Baptist	Member	Manjiya County	
36	Hon. Ssewanyana Allan	Member	Makindye Division West	
37	Hon. Nsamba Patrick Oshabe	Member	Kassanda County North	
38	Hon. Namugga Gorreth	Member	Mawogola County South	
39	Hon. Adeke Anna Ebaju	Member	DWR Soroti	
40	Hon. Akol Anthony	Member	Kilaka County North	
41	Hon. Ssemujju Ibrahim Nganda	Member	Kira Municipality	
42	Hon. Gen. Mbadi Mbasu Wilson	Member	UPDF	
43	Hon. Prof. Elijah Dickens Mushemeza	Member	Sheema South	
44	Hon. Herbert Edmund Ariko	Member	Soroti City East	