

REPUBLIC OF UGANDA



REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT ON THE MINISTERIAL POLICY STATEMENT FOR THE FY  
2023/24-FY2027/28

Office of the Clerk to Parliament  
Parliament Building  
Kampala-Uganda

April 2023

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- Middle left: *Keefu Kabanuka*  
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## 1.0 Introduction

**Rt. Hon. Speaker** and Hon. Members,

In accordance with Article 155 (4) of the Constitution of the Republic of Uganda, Section 13 of the Public Finance Management Act, 2015 and Rule 148 of the Rules of Procedure of Parliament, Sectoral Committees are mandated among other things to;

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

In light of the above, I present for your consideration and adoption the Report of the Committee on Finance, Planning and Economic Development in respect of the Ministerial Policy Statement for the FY2023/24:

### 1.1 Structure of Report

This report is structured in three Parts:

Part 1: Is the Introduction

Part 2: Is an overview of the Sector's Budget Performance for FY2021/22 and the first half of FY 2022/23; this covers real sector, monetary, fiscal performance and physical performance;

Part 3: Is an overview of the Sector's Budget Proposals for FY2023/24;

Part 4: Is the Committee's Observations and Recommendations

### 1.2 Scope of the Report

The Committee considered the Ministerial Policy Statements and examined the proposed budgetary allocations for the FY2023/24 of the following Votes and Subventions under the Committee's jurisdiction:

**TABLE 1: VOTES AND SUBVENTIONS UNDER THE COMMITTEE'S JURISDICTION**

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

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

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8.	Vote 140	Capital Markets Authority (CMA)	To develop all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for longer term investments in productive enterprise; create, maintain and regulate a market in which securities can be issued and traded in an orderly, fair and efficient manner, through implementation of a system in which the market participants are self-regulatory to the maximum practicable extent; protect investors' interests; and operate a compensation fund.
9.	Vote 141	Uganda Revenue Authority	To assess, collect and account for Central government tax revenue and to provide advice to government on matters of policy relating to all revenue sources.
10.	Vote 143	Uganda Bureau of Statistics	To develop, maintain and coordinate a National Statistical System (NSS) so as to ensure collection, analysis and publication of integrated, relevant, reliable and timely statistical information; To coordinate, monitor and supervise the National Statistical System (NSS)
11.	Vote 149	National Population Council (NPC)	To formulate policies and give strategic direction on the implementation of the objectives of the National Population Policy; advise the President on population

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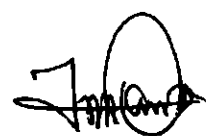
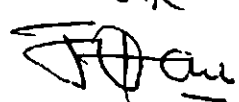

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			matters; Promote and popularize the National Population Policy; and set up a National Population Databank.
12.	Vote 153	Public Procurement and Disposal of Public Assets	To ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposals standards and practices.
13.	Vote 161	Uganda Free Zones Authority (UFZA)	To regulate, establish, manage, market, maintain, supervise and control Free Zones in Uganda. Free Zones are among the export promotion and development schemes earmarked by the National Development Plan (NDP) III to address the growing trade deficit, employment needs and promote industrialization.
14.	Vote 162	Uganda Microfinance Regulatory Authority (UMRA)	To license, regulate and supervise Tier IV Financial Institutions. The establishment of UMRA was a response to the risks facing poor borrowers and depositors of Tier IV Financial Institutions including money lenders, SACCOs and Non-Deposit Taking Microfinance Institutions.
15.	Vote 163	Uganda Retirement Benefits Regulatory Authority	To supervise and regulate the establishment, management and operation of retirement benefits schemes, and to protect the interests of members and beneficiaries of retirement benefits schemes in Uganda.
<b>Subventions:</b> <ol style="list-style-type: none"> <li>1. Economic Policy Research Centre</li> <li>2. Enterprise Uganda</li> </ol>			

	3. Micro-Finance Support Centre
	4. Tax Appeals Tribunal
	5. PPDA Tribunal
	6. Uganda Development Bank
	7. Post Bank Uganda Limited
	8. Agricultural Credit Facility
	9. Insurance Regulatory Authority

### 1.3 Methodology

In processing the 15 Votes Ministerial Policy Statements, the Committee reviewed the following documents:

- i. The National Budget Framework Paper for FY 2023/24 – FY 2027/2028
- ii. The respective Ministerial Policy Statements
- iii. The National Development Plan FY2020/21-2024/25
- iv. The Draft Budget Estimates for the FY 2023/24
- v. Annual Work plans for the various Votes
- vi. The Budget Call-Circulars for FY2023/24
- vii. The draft National Resource Envelope for FY 2023/24
- viii. The draft Medium Term Expenditure Framework for FY 2023/24
- ix. The draft Fiscal Operations Table for FY 2023/24
- x. The Certificate of Gender and Equity Compliance
- xi. Treasury Memorandum
- xii. Statement of Multiyear Commitments
- xiii. Programme Implementation Plans
- xiv. The Charter of Fiscal Responsibility
- xv. Audit Reports by the Office of the Auditor General
- xvi. Other relevant documents

The Committee also held meetings with the following entities;

#### Votes:

- i. Vote 008: Ministry of Finance, Planning & Economic Development (MFPED);
- ii. Vote 108: National Planning Authority (NPA)
- iii. Vote 123: National Lotteries and Gaming Regulatory Board (NL&GRB);
- iv. Vote 129: Financial Intelligence Authority (FIA)
- v. Vote 130: Treasury Operations
- vi. Vote 131: Office of the Auditor General
- vii. Vote 138: Uganda Investment Authority (UIA)
- viii. Vote 140: Capital Markets Authority (CMA);
- ix. Vote 141: Uganda Revenue Authority
- x. Vote 143: Uganda Bureau of Statistics
- xi. Vote 149: National Population Council (NPC);
- xii. Vote 153: Public Procurement and Disposal of Public Assets
- xiii. Vote 161: Uganda Free Zones Authority (UFZA);

- xiv. Vote 162: Uganda Microfinance Regulatory Authority (UMRA);
- xv. Vote 163: Uganda Retirement Benefits Regulatory Authority

#### 1.4 Program-Based Budgeting

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

The Committee observes that in accordance with section 9(3) of the PFMA 2015, the National Budget Framework Paper must be consistent with the National Development Plan III (NDP III). The Committee noted that the goal of the NDP III is **"To Increase Average Household Incomes and Improve the Quality of Life of Ugandans"**.

In line with the program-based budgeting approach, **Table 2** below shows the various programs under NDP3 and the various Ministries, Departments and Agencies that align to the said programs;

S/N	PROGRAM UNDER NDPIII	MINISTRY/DEPARTMENT/ AGENCY
1.	Development Plan Implementation program(18)	1. MFPED 2. Treasury Operations 3. NPA 4. National Lotteries and Gaming Regulatory Board (NL&GRB) 5. PPDA 6. URA 7. Office of the Auditor General
2.	Agro-Industrialization	1. MFPED 2. NPA 3. UIA
3.	Mineral-based Industrialisation	1. MFPED 2. NPA
4.	Sustainable Development of Petroleum Resources	1. MFPED
5.	Tourism Development	1. MFPED 2. UIA
6.	Water, Climate Change and ENR Management	1. MFPED 2. NPA
7.	Private Sector Development	1. MFPED 2. NPA

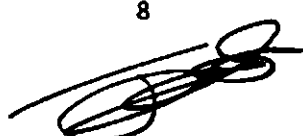
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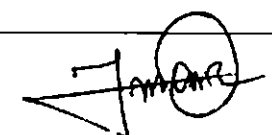
		3. CMA 4. UIA 5. National Lotteries and Gaming Regulatory Board (NL&GRB) 6. PPDA
8.	Manufacturing	1. MFPED 2. UIA
9.	Digital Transformation	1. MFPED 2. National Lotteries and Gaming Regulatory Board (NL&GRB)
10.	Transport Interconnectivity	1. MFPED
11.	Sustainable Energy Development	1. MFPED
12.	Sustainable Urban Development	1. MFPED
13.	Human Capital Development	1. MFPED 2. NPA
14.	Community Mobilisation and Mind-set Change	1. MFPED 2. <del>National Lotteries and Gaming Regulatory Board (NL&amp;GRB)</del>
15.	Innovation, Technology Devt. & Transfer	1. MFPED
16.	Regional Development	1. MFPED 2. NPA 3. UIA
17.	Governance and Security Strengthening	1. MFPED 2. National Lotteries and Gaming Regulatory Board (NL&GRB) 3. PPDA 4. FIA 5. Office of the Auditor General
18.	Public Sector Transformation	1. MFPED 2. NPA 3. National Lotteries and Gaming Regulatory Board (NL&GRB)
19.	Administration of Justice	1. MFPED
20.	Legislature	1. MFPED

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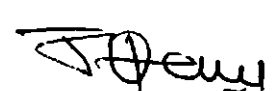
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## **2.0 Semi Annual Budget Performance and Achievements - FY 2022/23**

### **2.1 Vote 008: MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT.**

#### **2.1.1 Semi Annual Physical Performance**

##### **a) Sustainable Petroleum Dev't Programme**

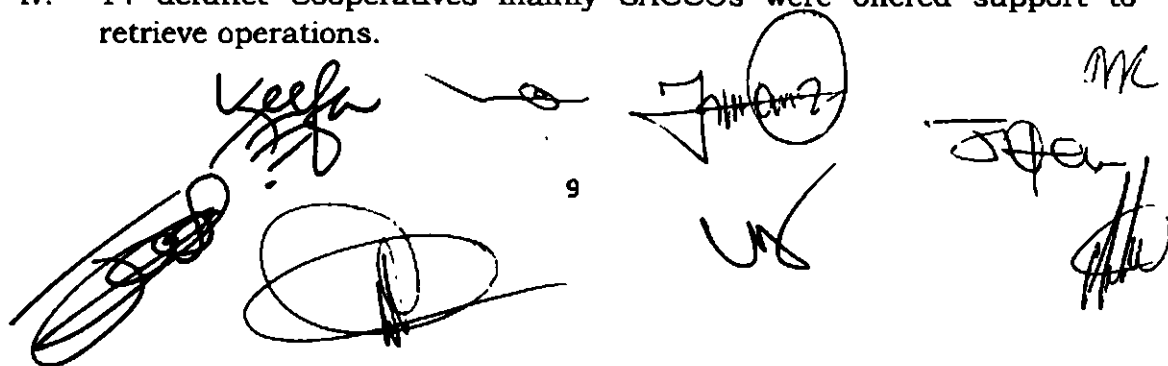
- i. Completed the Kampala Storage Terminal (KST) Financial model development.
- ii. Developed and submitted the KST concept proposals to support financing of projects through the local infrastructure bond.
- iii. Completed the physical handover of Jinja Storage Terminal (JST) from One Petroleum Ltd (OPL) as operator of the terminal to UNOC on 23<sup>rd</sup> Dec 2022.
- iv. Joined the Energy Transition Alliance which was formed by Abu Dhabi National Oil Company (ADNOC) in preparation for the upcoming 28<sup>th</sup> Conference of Parties on Climate Change to be held in Dubai.
- v. The 2022 UNOC annual Oil and Gas Resources and Reserves Report was completed.

##### **b) Governance & Security Programme**

- i. 23 referral hospitals were supported to develop strategic risk profiles.
- ii. Enforced segregation of duties, change control tracking and risk control for identified business processes.
- iii. Successfully rolled out the upgraded Navision system and alignment of the Chart of Accounts (COA) UNDETR NDPIII to 15 Missions.
- iv. Analyzed and reconciled URA collections with the respective MDAs. The total tax and NTR remittances to the UCF amounted to 10,562.00bn.
- v. Bank reconciliations were carried as well as monthly account analysis for all Treasury controlled accounts resulting into filing of periodic reconciliation reports.

##### **c) Private Sector Dev't Programme.**

- i. Disbursed Ushs.221.975bn to bank accounts of 8,878 ready PDM SACCOs in 162 LGs.
- ii. Undertook several visits to the 18 sub regions to assess the readiness of PDM SACCOs to receive funds.
- iii. Undertook monitoring activities on the progress performance of the EMYGOOGA program in the Eastern Uganda (Busoga Region).
- iv. 14 defunct Cooperatives mainly SACCOs were offered support to retrieve operations.

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- v. 53 projects were financed to a tune of UGX 3.20 bn. Of these, 34 projects were financed under conventional financing to a tune of UGX 2.883bn and 19 projects under Islamic Finance to a tune of UGX 318m.
- vi. Implemented the Emyooga programme which has so far disbursed seed capital worth UGX 258.24 bn benefiting over 6,714 Emyooga SACCOs with over 1.9 Million members and 118,504 members associations.
- vii. The Financial Sector Development Strategy was finalized. The strategy is aimed at ensuring a sound and integrated financial sector that supports sustainable and inclusive economic growth and increasing access to long term financing.
- viii. To strengthen the financial sector, the Ministry developed and reviewed key policies and regulations including tax bills; Financial Institutions Act which will operationalize Islamic banking.
- ix. The Ministry extended the Agriculture Insurance scheme for 4 more years under the second phase from FY 2021/22 TO FY 2024/25. This was aimed at consolidating efforts made under phase 1.

**d) Dev't Plan Implementation Programme.**

- a) Raised Ushs 12.37tn in revenues and grants to finance the Budget.
- b) Mobilized domestic debt resources amounting to Ushs 5,479bn; of which UGX 2,369bn was for funding budget activities and Ushs. 3,110bn to meet maturing debt obligations.
- c) Finalized and published the Public Investment Financing Strategy (PIFS) which will improve alignment of the Budget to NDP priorities.
- d) Successfully held the sixth Economic Growth Forum to inform the Budget for FY 2023/24.
- e) Signed several loan and grant agreements including Generating Growth Opportunities and Productivity for Women Enterprises Project, Strengthening the Capacity of 14 Regional Referral Hospitals in Uganda, Irrigation Schemes Development Project in Unyama, Namalu and Sipi, Supporting Sustainable Investments in the Agriculture Sector in Uganda Budget Support.
- f) Produced the NBFP for FY 2023/24; 1<sup>st</sup> and 2<sup>nd</sup> Budget Call Circular; Annual Budget Performance Reports Central and Local Governments for FY 2021/22 and the Budget Strategy for FY 2023/2024.
- g) Undertook monitoring of all the 36 Missions abroad to establish their achievements and operational challenges.
- h) Created a Climate Finance Unit support from the United Kingdom Government.
- i) Prepared and Updated the Annual Cash Flow Plan for FY2022/23.
- j) Conducted the National Budget Conference and LG Consultative workshops to inform the budget for FY2023/2024.
- k) Finalized the comprehensive review of the EAC Common External Tariff (EAC-CET) in line with the requirement under the EAC Protocol.

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l) Finalized and published the annual Tax expenditure report.

### 2.1.2 Semi Annual Financial Performance of the Vote

The approved budget for FY 2022/23 amounted to UGX 2,617 Trillion which was revised upward to 2.636 Trillion of which UGX 9.3 billion was wage, UGX 2.319 Trillion was non-wage, UGX 197.9 billion approved for GoU development, UGX 99.32 billion approved to cater for external financing and UGX 10.71 billion for arrears. By the end of December 2022, 65% of the approved budget had been released and 46% of this release spent.

Revision of the budget was attributed to shortfalls in the following areas; -

- PPP Unit arising from activities previously funded by the World Bank
- EAC meetings and resource mobilization travels
- disposal of cases, recruitment of staff
- UETCL board allowances
- Land required for expansion of the one-stop centre to facilitate service delivery.

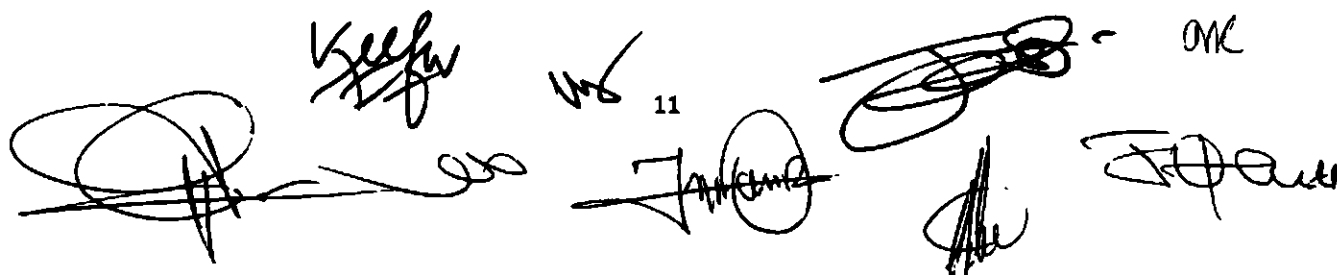
**Table 3i** below indicates Vote 008's half-year financial performance for Vote 008;

Vote 008: Ministry of Finance Planning & Economic Development						
Shs. Billions	Approved	Revised Approved	Released	Spent	%released	%spent
Wage	9.30	9.30	4.70	3.63	50.54	39.03
NWR	2,310.56	2,319.13	1,596.37	1,121.53	68.83	48.36
GoU	187.64	197.90	70.73	50.48	35.74	25.51
Ext.	99.32	99.32	39.50	20.48	39.77	20.62
Arrears	10.71	10.71	10.71	4.07	100.00	38.00
<b>Total</b>	<b>2,617.52</b>	<b>2,636.36</b>	<b>1,722.01</b>	<b>1,200.19</b>	<b>65.32</b>	<b>45.52</b>

## 2.2 Vote 108: NATIONAL PLANNING AUTHORITY

### 2.2.1 Semi-annual Physical Performance.

- Undertook the Mid Term Review of the third NDP.
- Produced the reprioritization report for the third NDP to inform the Budgeting and Preparation of NDP IV.
- Prepared the budget strategy for FY 2034 2024 which informed the issuance of the first Budget Call Circular for the same year.
- Prepared and presented a PEC paper on Addressing Ugandans Affordable Decent Housing Deficit.

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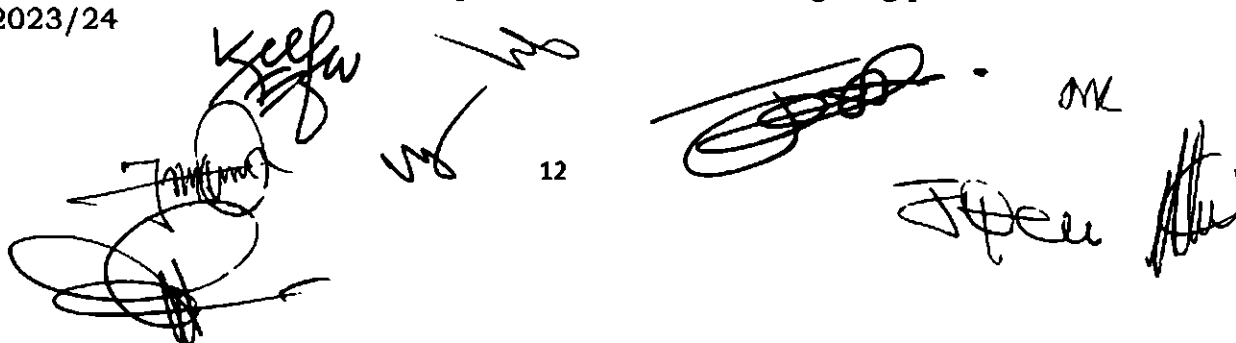
- v. Validated the draft Green Growth Financing Strategy with Green Finance Practitioners.
- vi. Finalized the five year National Human Resource Development Plan.
- vii. Prepared and presented a PEC paper on Addressing Ugandas Affordable Decent Housing Deficit.
- viii. Monitored the implementation of 84 NDP III Flagship projects.
- ix. Produced M and E Results and Reporting Framework aligned to the NDP.
- x. Held 12<sup>th</sup> National Development Policy Forum themed Addressing Ugandas Affordable Housing Deficit.
- xi. Coordinated the preparation of the Second National Strategy for Private Sector Development.
- xii. Organized the 2<sup>nd</sup> High Level Forum of South- South and Triangular Cooperation Forum for Sustainable Development.
- xiii. Reviewed Five 5 loans proposals to borrow for the Kampala Lighting and Infrastructure Improvement Project loan to Finance the Uganda Digital Acceleration Project Government Loan Finance the Investment for Industrial Transformation and Employment Access Scale up Project and loan proposal for Refurbishment of The Kampala Malaba Meter Gauge Railway Project.
- xiv. Supported and prepared Eight 8 prefeasibility and Feasibility studies including Livestock vaccines manufacturing and commercialization in Uganda in partnership with UNDP Construction industry in partnership with UDC Packaging industry in partnership with UDC Prefeasibility study for the construction and equipping planning house supported MoTWA in the development of the Source of The Nile Infrastructure Development Project Prefeasibility Study for the Coffee Value Chain Development Project UDC in the preparation of the Feasibility study for the Luwero fruit factory MODVA in the development of a business plan for the Uganda air cargo Atomic Energy Council in the preparation of the prefeasibility study for strengthening the National regulatory and Greater Kampala Metropolitan Area urban Development Program feasibility study.

### **2.2.1 Semi-annual Financial Performance of the Vote.**

The approved budget for FY 2022/23 amounted to UGX 46.19 billion of which UGX 14.61 billion was wage, UGX 27.63 billion was non-wage, and UGX 3.95 billion approved for GoU development. By the end of December 2022, 51 percent of the approved budget had been released and 85.5 percent of this release spent.

The 51.1 percent budget release was as a result of frontloading the Mid-Term Review of NDP III which was required to inform the budgeting process for FY 2023/24

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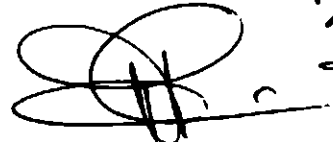
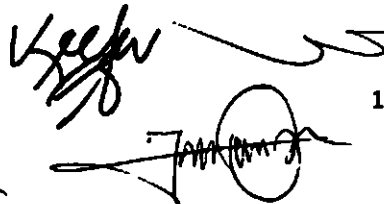

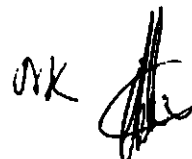
**Table 3ii** below indicates the financial performance for Vote 108; National Planning Authority

<b>Shs Billions</b>	<b>Approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	14.61	7.305	7.29	50.00	99.75
NWR	27.63	14.99	12.01	54.24	80.09
GoU	3.95	1.316	0.88	33.33	67.17
Ext.	-	0	0.00	0.00	0.00
<b>Total</b>	<b>46.19</b>	<b>23.61</b>	<b>20.18</b>	<b>51.11</b>	<b>85.46</b>

## **2.3 Vote 123: NATIONAL LOTTERIES AND GAMING REGULATORY BOARD**

### **2.3.1 Semi-annual Physical Performance.**

- i. Increase in Revenue Generation from the Gaming sector. The annual revenue collection has grown from UGX 17.16Billion in FY2015/16 when NLGRB was established to UGX 110.5Billion in FY2021/22. In the 1<sup>st</sup> half of the FY2022/23, UGX 81Billion has so far been collected out of the UGX 119.844 Billion Projected to be collected by the end of the FY 2022/23. This revenue growth can be explained by the following factors; A more effective organizational structure and enhancement of the technical staff capacity to match the growth in the gaming sector, Collaboration with Uganda Revenue Authority through information sharing and revenue bills, Regular compliance monitoring and enforcement exercises against non-compliant operators, Improvement of regulation by the Board which builds confidence and in turn encourages new operators to join the Ugandan gaming sector, and Development of gaming standards which have increased player protection and revenue collection.
- ii. Enforcement on unlicensed and non-compliant operators
- iii. In 1<sup>st</sup> half of FY 2022/23, NLGRB confiscated 185 unlicensed gaming devices from unlicensed operators. Enforcement actions like closure of non-compliant premises and closing of online sites have also been carried out on non-compliant operators. This is in line with Section 5 (h) of the Lotteries and Gaming (Amendment) Act, 2018. Request to UCC to block websites of 4 on-line illegal operators i.e. Crown Ug football, Ug football, E-Cairo and BLQ football. The total number of unlicensed equipment and devices confiscated pending destruction is 1,124.
- iv. 06 enforcements were undertaken on unlicensed online sites i.e. Uganda bettors' association, Crown football, UwinBet Uganda, E-Cairo, Ugafootball and BLQ football.

- v. 14 gaming software and hardware standards Developed in consultation with UNBS. The process of public review and comments has been concluded. The standards are awaiting UNBS approval.
- vi. Dispute Resolution. In line with section 4 (m) of the Act, the Board is mandated to receive, investigate and arbitrate complaints relating to gaming and take appropriate action. During the FY 2021/22, NLGRB received and resolved 26 disputes worth UGX 78,323,234 which have all been resolved. During the 1<sup>st</sup> half of FY 2022/23, 08 dispute worth UGX 30,413,467 which have all been resolved.
- vii. Licensing. Section 27 mandates the Board to issue Casino or Gaming licenses. In 2022 the Board issued 89 gaming operating licenses to 66 operators. For the calendar year 2023, the Board has to date approved 64 gaming operating licenses to 47 operators out of 87 license applications.
- viii. 64 Licenses Approved.
- ix. 14 Gaming Standards Approved.
- x. 08 Stakeholder Engagements (with operators, URA, NN, Parliament, NBS, UNBS, UNF).

### 2.3.2 Semi-annual Financial Performance.

The approved budget for FY 2022/23 amounted to UGX 8.08 billion of which UGX 2.48 billion was wage and UGX 5.60 billion was non-wage. By the end of the first half of the FY 2022/23, 29.56 percent of the approved budget had been released and 100 percent of this release spent.

Under absorption was due to low release of funds in Q1 which affected implementation of planned Q1 and Q2 activities

**Table 3iii** below indicates the semi annual financial performance for Vote 123; National Lotteries and Gaming Regulatory Board.

Shs Billions	Approved	Released	Spent	%released	%spent
Wage	2.48	1.38	1.38	55.64	100
NWR	5.60	1.01	1.01	17.99	100
<b>Total</b>	<b>8.08</b>	<b>2.39</b>	<b>2.39</b>	<b>29.56</b>	<b>100</b>

## 2.4 Vote 129: FINANCIAL INTELLIGENCE AUTHORITY

### 2.4.1 Semi-annual Physical Performance.

- i. 39 intelligence reports were disseminated to law enforcement agencies and competent authorities for further management.
- ii. FIA received 55 requests for information from different Law Enforcement Agencies and competent authorities and responded to 48 of them by the end of half year. The remaining 7 requests were pending

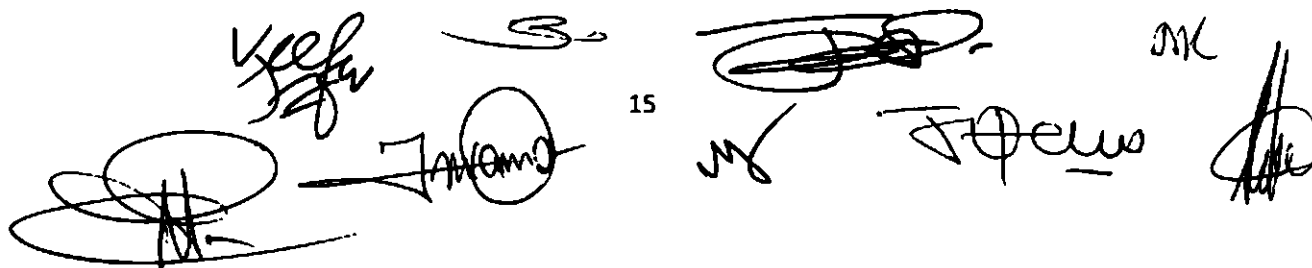
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receipt of information from various sources were responded to during Q3.

- iii. FIA Completed a Typology study on Internal Fraud in the Financial Sector. The purpose of the typology study was to identify money laundering trends, patterns and related issues to come up with measures to help sector players mitigate against identified risks.
- iv. The tax crimes vulnerability assessment as part of the tax crimes assessment was completed. This Tax Crimes and Proceeds assessment aimed to assess the scale relative incidence and proceeds of tax crimes the nature of tax crimes and common typologies and their relevance to money laundering.
- v. The goAML electronic platform continued to be enhanced and as a result 6854 reports were received via the goAML platform from various accountable persons relating to different transaction reports.
- vi. Conducting risk based onsite inspections. 9 risk based onsite inspections were carried out on accountable persons to assess their compliance with AMLA 2013. These included 6 life insurance companies, Centenary Bank, World Vision Uganda and Airtel mobile commerce.
- vii. Registration of accountable persons. 348 accountable persons were registered and 383 certificates of registration issued bringing the total number of accountable persons registered to 2625.
- viii. Authentication of certificates of registration. 235 accountable persons requested for their certificates to be certified which was done.
- ix. FIA received 19 requests to conduct financial due diligence on entities intending to partner with government to undertake key investment projects. 16 requests were conducted and the rest were under review by end of Q2. Of the requests received 15 were from MoFPED 2 from UETCL and 2 from UIA.
- x. ICRG Progress Report November 2022. Ugandas ICRG progress report was prepared in preparation for the Face to Face meetings to be held in January 2023 in Rabat Morocco. The report provided updates and progress since May 2022 for the outstanding action items in Uganda's ICRG Action.
- xi. ICRG Virtual Face Meeting with Uganda. The Face meeting between the Uganda delegation and the Africa/middle East Joint Group was held on 9<sup>th</sup> September 2022 in Livingstone Zambia. The meeting took note of the significant progress made by Uganda in amending 6 sets of legislation aimed at addressing elements of the ICRG action plan.

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- xii. The 44<sup>th</sup> Plenary of the East and southern Africa anti money laundering group was held in Livingstone, Zambia. The main outcome in relation to Uganda was the upgrade of 2 Financial Action Task Force recommendation; recommendation 12 on politically exposed persons was upgrade from Partially Compliant to Compliant , and recommendation 22 on customer due diligence for Designated Non-Financial Business and professionals was upgraded from Partially compliant to Largely compliant.
- xiii. 6 Laws were amended and assented to by the President. These include; The AntiMoney Laundering Amendment Act 2022, The Companies Amendment Act 2022, The Partnerships Amendment Act 2022, The Trustees Incorporation Amendment Act 2022, The Cooperative Societies Amendment Act 2022, The AntiTerrorism Amendment Act 2022.
- xiv. FIA finalized the Draft AntiMoney Laundering Amendment Regulations 2022.
- xv. The AntiTerrorism Amendment Regulations 2022 were finalized.
- xvi. In order to increase public awareness and understanding of matters related to anti money laundering and countering of terrorism financing, FIA published 5 articles that included 2 articles in New Vision and daily Monitor on the role of FIA in protecting the integrity of the financial systems, an article on the nexus between corruption and Money Laundering that was published in the National Anti-Corruption magazine, a message in the 13<sup>th</sup> edition of the annual financial service awareness magazine published by the Uganda Institute of Banking and Financial Services Magazine under the theme your money can, and a message in the 2022 social economic transformation Sector review magazine. FIA also participated in the National anti-corruption week activities, the annual banking sports gala and the 2022 CEO forum.

#### **2.4.2 Semi-annual Financial Performance.**

The approved budget for FY2022/23 amounted to UGX 26.65 billion of which UGX 9.59 billion was wage, UGX 16.93 billion was non-wage, and UGX 0.13 billion approved for GoU development. By the end of December 2022, 50 percent of the approved budget had been released and 70 percent of this release spent.

**Table3iv** below indicates the semi-annual financial performance for Vote 129; Financial Intelligence Authority.

<b>Shs Billions</b>	<b>Approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	9.59	4.80	2.51	50.00	52.22
NWR	16.93	8.42	6.83	49.73	81.08

GoU	0.13	0.09	0.00	66.67	4.65
<b>Total</b>	<b>26.65</b>	<b>13.30</b>	<b>9.33</b>	<b>49.91</b>	<b>70.18</b>

## **2.5 Vote 130: TREASURY OPERATIONS.**

### **2.5.1 Semi-annual Physical Performance.**

- i. Processed withdraw applications that were submitted by projects during the period amounting to UGX 2,982bn. These included the online disbursement applications to IFAD & World Bank using Client Connection web.
- ii. The projections for External and Domestic debt due were prepared and reconciled with creditors.
- iii. Payment of principal, interest, commissions and other costs related to external borrowing was processed as when it fell due without incurring any penalties to Government of Uganda.
- iv. Managed the Contingencies Fund resources.
- v. Prepared Annual and Interim Financial Statements for Treasury Operations Vote 130 and Contingencies Fund for the FY ended June 30, 2022 and December 31, 2022 respectively.
- vi. Supported external audit of Treasury Operations and the Contingencies Fund for FY 2021/22.
- vii. The Debt Management and Financial Analysis System was updated with 8 new loans contracted during the period amounting to USD 864.7M. Domestic debt issuances, loan and grants disbursements, Treasury bills and Bond Costs paid and repayments of maturing were also updated in the system to facilitate production of reports.
- viii. The 1<sup>st</sup> Instalment amounting to USD 65m with respect to the International Court of Justice award against Government of Uganda in reparations to the Democratic Republic of Congo over a war that began in the late 1990s was made during the period.
- ix. Provided management reports to stakeholders.
- x. Upgraded the Debt management system (DMFAS) and trained users accordingly.

### **2.5.2 Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 16,812 billion. By the end quarter 3 of FY2022/2023, 87 percent of the total budget was released and 96.46 percent of this release spent. Over performance is attributed to increases in LIBOR and EUROBOR market rates which are applicable to over 24 loans on the portfolio hence increasing loan interest payments. LIBOR

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moved from 2.89 percent as at the beginning of 2022 to 5.24 percent as at 20<sup>th</sup> February, 2023 whereas EUROBOR which used to be negative before June 2022, has since increased to 3.212 percent.

**Table 3v** below indicates the semi-annual financial performance for Vote 130, Treasury Operations.

<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
NWR	16,812.16	14,670.87	14,151.85	87.26	96.46
<b>Total</b>	<b>16,812.16</b>	<b>14,670.87</b>	<b>14,151.85</b>	<b>87.26</b>	<b>96.46</b>

## **2.6 Vote 131: OFFICE OF THE AUDITOR GENERAL**

### **2.6.1 Semi-annual Physical Performance**

The shared overall Risk Assessment for 2022 determined that the office has a total population of 17,496 audits. This comprises of; 418 MDAs, Statutory Corporations, Classified expenditure audits, Projects and funds; 4 PSAs; 196 Higher Local Government (HLGs); 1768 Lower Local Governments (LLGs); 14,609 schools and Tertiary Institutions; 48 Value for Money Audits; 10 Information Technology Audits; Engineering Audits on 351 projects; 75 Forensic Investigation; 15 Public Private Partnerships; and 2 International/regional Audits. In addition, the office planned to produce 4 thematic area compliance audits. Of these, 3996 audits were planned for the audit year out of aforementioned total audit population. In terms of the budget coverage, the planned audits translated to 97% (UGX 43.42Tn) of the approved national budget for FY2021/22.

**Table 3vi** below reflects a breakdown of the audits undertaken and the percentage of completion for each audit type undertaken.

<b>AUDITS</b>	<b>TARGET NUMBER OF AUDITS</b>	<b>ACHIEVED AUDITS BY 31<sup>st</sup> DECEMBER</b>	<b>PROJECTS ON GOING</b>	<b>PERCENTAGE COMPLETION BY 31<sup>st</sup> DECEMBER</b>
Financial Audits including the treasury Memoranda	3419 which was adjusted during the Audit year to 3457	1797 and 14 treasury Memoranda audits	1664	52.559
Compliance audit thematic reports	4			
VFM Audits	25	15	10	60

Specialized engineering Audits	416 infrastructure and public works projects in 14 entities	102 projects	314	24.519
Forensic Investigations	82	23		28.049
Regional Audits	4	3	1	75
IT Audits	12	3	9	25

### 2.6.2 Semi-annual Financial performance.

The approved budget for FY 2022/23 amounted to UGX 104.36 billion of which UGX 43.52 billion was wage, UGX 52.29 billion was non-wage, UGX 3.76 billion approved for GoU development and UGX 4.79 billion approved to cater for external financing. By the end of December 2022, 57 percent of the approved budget had been released and 71 percent of this release spent.

**Table 3vii** reflects the semi-annual financial performance for Vote 138; Uganda Investment Authority

Shs Billions	Approved	Released	Spent	%released	%spent
Wage	43.52	21.76	21.27	50.00	97.76
NWR	52.29	31.90	18.74	61.00	58.76
GoU	3.76	3.76	0.00	100.00	0.00
Ext. Financing	4.79	2.15	2.15	44.76	100.00
<b>Total</b>	<b>104.36</b>	<b>59.56</b>	<b>42.16</b>	<b>57.07</b>	<b>70.78</b>

## 2.7 Vote 138: UGANDA INVESTMENT AUTHORITY.

### 2.7.1 Semi-annual Physical Performance.

- UIA acquired continued to provide services on the EBiz platform in Namanve One Stop Centre. This is in line with the NDP III goal of building 5 regional one stop centres.
- The OSC at UIA Head-Office was certified for both ISO 9001 (Quality Management) and ISO 45001 (Environmental & Occupational Health) standards.
- 29 Domestic Investors linked to UNBS and facilitated to acquire Q Marks.
- 450 Domestic investors in Hoima, Lira and Gulu were facilitated to formalize in a tripartite activity with URSB, URA and UIA.

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and UGX 2.35 billion to cater for arrears. By the end of March, 2023, 45.27 percent of the approved budget had been released and 67.3 percent of this release spent.

The unspent balance comprises of 1.61 billion relating to domestic arrears, 0.47 billion for salaries/gratuity due to ongoing recruitments and 15.12 billion for infrastructure development for Kapeeka and Mbale. The Authority expects to pay in Q4.

**Table 3viii** below indicates the semi annual financial performance for Vote 138; Uganda Investment Authority.

<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	6.83	5.12	4.97	74.96	97.0703
NWR	8.23	4.58	3.41	55.68	74.4541
GoU	68.70	16.45	0.7	23.94	4.25532
Arrears	2.35	2.35	1.5	100.00	63.8298
Ext.	221.25	110.63	83.06	50.00	75.0791
<b>Total</b>	<b>307.36</b>	<b>139.13</b>	<b>93.64</b>	<b>45.27</b>	<b>67.304</b>

## **2.8 Vote 140: CAPITAL MARKETS AUTHORITY (CMA)**

### **2.8.1 Semi-annual Physical Performance**

- i. The total Assets under Management (AUM) held by CIS Fund Managers increased from UGX 1.304 trillion at the end of June 2022 to UGX 1.6 trillion as at end of December 2022; reflecting a growth of 22.7%.
- ii. The total number of investor accounts held by CIS managers at the end of December 2022 stood at 45,866 compared to 34,467 investor accounts at the end of June 2022, a 33.1% increase in the ownership of CIS investor accounts. The growth in the total AUM and investor accounts can be attributed to among others things, increased awareness of CIS among local investors due to outreach activities by the CIS Managers and CMA.
- iii. The Deal Flow Facility received 98 applications from companies registered in Uganda so far and made 5 investor- investee matches. The deal value of these matches amounts to UDS 14 million.
- iv. During the period of July to December 2022, CMA held 6 investor education television outreaches that reached out to an estimated 368,781 listeners/ potential investors. In addition, through the three

radio outreaches held, the CMA was able to reach 1,009,000 listeners/potential investors.

- v. Renewed licenses included: Standard Chartered Custodian; UAP Stock broker & fund manager; Crested Capital broker & dealers; ICEA rep; Britam fixed income, Money market fund, & Umbrella fund; USE SCD; KCB custodian; Housing finance custodian; Stanbic custodian; SBG Unit trust scheme manger and umbrella fund scheme.
- vi. Financial analysis conducted for: 8 fund managers- Bruitam,UAP, GenAfrica, ICEA, Sanlsm, Xeno, PCP, INUA; 6 brokers-Crested Capital, BIK Securities, Dyer & Blair, chipper Technologies. 6- Unit trust managers including; SBG, Xeno, ICEA, Britam, Sanlam an UAP. Financial analysis conducted to ensure that licensed funds and schemes meet and maintain the minimum capital requirements.
- vii. CMA Resource persons were hosted on TV shows on various stations including Urban TV, BBS TV and SMART 24. The shows were all aimed at enhancing people's awareness about saving through the capital markets.
- viii. The Authority also held 7 webinars on Zoom in the period and held 18 physical meetings where 489 potential investors were engaged.
- ix. Following the successful stakeholder consultations, (i) The Markets Authority (Accounting and Financial Requirements) Regulations 2022 and (ii) The Capital Markets Authority (Prescription of securities instruments) Regulations 2022 were published in the Uganda gazette by the Government of Uganda.
- x. In bid to improve regulation for the development of the Fixed Income Market, Capital Markets Authority (CMA) Bank of Uganda and Financial Markets Development Committee held a meeting with players in the Bond Market sector proposing the establishment that the Uganda Fixed Income Market Company(UGFIM).The takeaways were: Justification for the proposed UGFIM vis-a`-vis establishing a Bond Market Association & Financial sustainability aspect analysis that includes the fees/cost implication, case studies for benchmark.
- xi. During the period under review, Collective Investment Scheme Managers, Capital Markets Authority, and Uganda Revenue Authority were hosted by the Ministry of Finance Planning and Economic Development to resolve the impasse on the taxation of Collective Investment Scheme units. The Ministry was in support of maintain the status quo. We await a formal letter to the respective stakeholders to that effect.

#### **2.8.2 Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 8.57 billion of which UGX 3.48 billion was wage and UGX 5.10 billion was non-wage. By the end of the second quarter, 37.8 percent of the approved budget had been released and 72.9 percent of this release spent. The under absorption in the two quarters was primarily due severe budget cuts in quarter one leading to delays

in staff recruitment, late payments processing and delays in identifying suitable service providers.

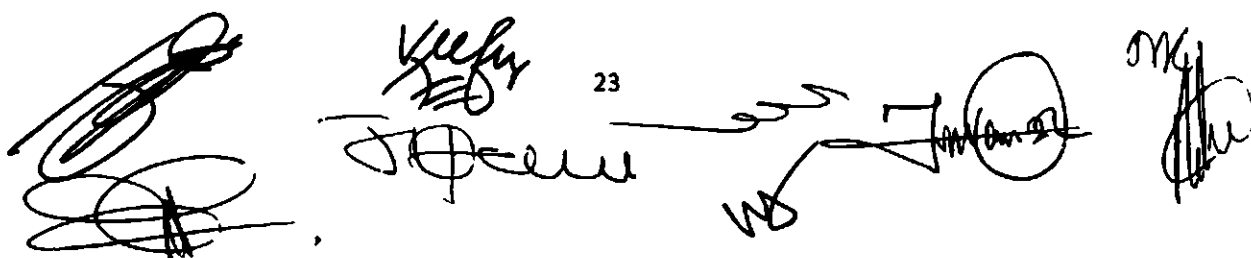
**Table 3ix** below indicates the semi-annual financial performance for Vote 140; Capital Markets Authority

<b>Shs Billions</b>	<b>Approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	3.48	1.74	1.44	49.99	83.07
NWR	5.10	1.50	0.92	29.50	61.21
<b>Total</b>	<b>8.57</b>	<b>3.24</b>	<b>2.36</b>	<b>37.81</b>	<b>72.93</b>

## **2.9 Vote 141: UGANDA REVENUE AUTHORITY**

### **2.9.1 Semi-annual Physical Performance.**

- i. 834,455 new taxpayers were registered, representing a growth in the taxpayer register of 46.79%. The taxpayer as at the end of the FY stood at 2,618,008 taxpayers.
- ii. Average on- time filing ratio for VAT was at 80.17% against a target of 93.37% and PAYE at 77.79% against a target of 86.47%.
- iii. Robust arrears management initiatives lead to recovery of 1,321.20Bn, of which UGX. 1,256.30 sFrom Domestic taxes and UGX. 64.90Bn from Customs.
- iv. UGX 112.19Bn was recovered by the Debt Collection Unit (UDC) against a target of UGX 80.00Bn.
- v. Tax investigations efforts resulted into the completion of two-hundred twenty- three (223) cases with identified recoverable revenue worth UGX 329.35billion.
- vi. Customs country wide enforcements operations led to a recovery of UGX 91.35Bn as a consequence of 7,799 seizures. 6,944 seizures were from dutiable goods and 855 were from non- dutiable goods.
- vii. Net revenue collections for half year were UGX 11,670.03Bn, posting a deficit of UGX94.80 billion and performance of 99.19% and a growth of UGX1, 506.83 billion (14.83%).
- viii. Net domestic revenue was UGX7, 225.19Bn while net customs revenue was UGX 4,444.84Bn.
- ix. Total number of taxpayers were 3,067,983 as at 31st Dec. A total of 449,975 new taxpayers were added onto the register representing a growth of 17.19% against target of 8.5%. Of these, 180,486 were non- individuals and 2,887,497 were individual taxpayers.
- x. The average on-time filing ratios for the period were: 82.0% for PAYE against a target of 84.0% and 86.06% for VAT against a target of 84.0%.



- xi. Customs country wide enforcement operations led to recovery of UGX57.21Bn as a consequence of 5,734 seizures.
- xii. Total arrears recovered were UGX 561.95Bn
- xiii. A total of UGX 59.79 billion were collected in debt against a target of UGX 40.00.
- xiv. Tax investigation efforts resulted in the completion of Eighty (80) cases with identified recoverable revenue worth UGX 98.84 billion.
- xv. As at 31st December 2022, the total EFRIS resister stood at 57,588 taxpayers. EFRIS usage is at 93%.
- xvi. Overall, 975 sites have been registered for DTS, representing 751 manufacturers and 206 importers. DTS usage by taxpayers has increased to 91%
- xvii. Raised LED and VAT assessments amounting to UGX 7.59 billion and UGX 5.79 billion respectively during the first half of the financial year 2022/2023.

## 2.9.2 Semi-annual Financial Performance.

The approved budget for FY 2022/23 amounted to UGX 539.8 billion of which UGX 205.5 billion was wage, UGX 290.1 billion was non-wage, and UGX 44.1 billion approved for GoU development. By the end of December 2022, 50 percent of the approved budget had been released and 93 percent of this release spent.

Under absorption of wage and non-wage was due to unfilled positions resulting from staff turnover (resignations, expiration of contracts) whereas under performance of capital development was attributed to ongoing procurements and executions whose payments are expected to be made on delivery.

**Table 3x** below reflects the semi annual financial performance for Vote 141; Uganda Revenue Authority;

Shs Billions	approved	Released	Spent	%released	%spent
Wage	205.50	102.75	91.36	50.00	88.91
NWR	290.28	145.14	144.43	50.00	99.51
GoU	44.06	22.03	15.76	50.00	71.52
<b>Total</b>	<b>539.83</b>	<b>269.92</b>	<b>251.54</b>	<b>50.00</b>	<b>93.19</b>

## 2.10 Vote 143: UGANDA BUREAU OF STATISTICS.

### 2.10.1 Semi-annual Physical Performance.

- i. The Bureau compiled and published the annual GDP estimates for FY 2021/2022 where the size of the economy is estimated to have

expanded by 4.7 percent during the year, up from the 3.5 percent (revised) in FY2020/2021. The size of the Economy increased in the nominal terms to UGX 162,721 Billion compared to UGX 148,310 registered in FY2020/21. At an average exchange rate of 3,572 this translates to US\$45.557 Billion.

- ii. Report on the Quarterly GDP for Quarter One of FY 2022/23 was published. The report showed that the economy registered a growth of 7.5 percent compared to the growth of 2.7 percent in Quarter One of the FY 2021/22.
- iii. Report on the value of formal goods for July and August 2022 amounted to US\$ 596.6 million. The total import bill increased by 6.0 percent from US\$2,288.2 million in Q3 FY2021/22 to US\$2,425.8 million in Q4 FY 2021/22. This resulted into formal trade deficit estimated at US\$1,495.4 million in Q4 FY2021/22 and US\$1,428.9 million during the Q3 FY2021/222.
- iv. Report on Government Revenue and expenditures Statistics for Q4 2021/22 for the compilation of Revenue and expenditures Statistics.
- v. Report on weekly and monthly Consumer Price Index (CPI) in the report, The Annual Headline Inflation for the year ended December 2022 was recorded at 10.2 percent compared to 10.6 percent registered in the year ending November 2021.
- vi. Reports on the (8th) round of the high frequency phone survey on Covid-19 in the period under review.
- vii. The Bureau continued with the implementation of Uganda Harmonized Integrated Survey (UHS) integrating the activities of Uganda National Panel Survey (UNPS), and the Annual Agricultural Survey (AAS) with support from WB, FAO and GOU. During the period under review, field staff were trained in crop cutting techniques in preparation for the second visit. Support Supervision for the field work for selected teams was done.
- viii. Report on completion of data processing and analysis of the 5th National Service Delivery Survey during the quarter. Findings of the NSDS were disseminated in September 2022.
- ix. Report for the completion of the NLFS 2021. Review of the same and validation of the findings by ILO was completed. Findings of the NLFS 2021 were disseminated in November 2022.
- x. Report on the implementation of the 7th round of UDHS, The sample of the UDHS is 700 EAs with a total of about 20,000 households. The UDHS will provide up-to-date information on demographic, health, and family planning status and trends in the country. Indicators to be compiled include among others fertility, mortality, marriage, sexual activity, fertility preferences, breastfeeding practices, family planning methods. This round will also cover new areas including testing for water quality. The UDHS is being supported by UNICEF, UNFPA, USAID and WHO.

- xi. Report on mapping exercise that is currently ongoing in 45 districts of; Bushenyi, Kamwenge, Buhweju, Kazo, Kayunga, Luwero, Kamuli, Namayingo, Busia, Kisoro, Rubanda, Rukiga, Kabale, Mitooma, Rukungiri, Kanungu, Kyenjojo, Kagadi, Nakaseke, Kiboga, Kyankwanzi, Kakumiro, Dokolo, Amolatar, Kapelebyong, Alebtong, Kibuku, Butaleja, Pallisa, Katakwi, Omoro, Nwoya, Abim, Otuke, Agago, Oyam, Kole, Kitgum, Lamwo, Nebbi, Zombo, Pader, Apc, Kwanja and Tororo
- xii. During the period, boundary mapping of 32 districts was done. Mapping capturing the geo-codes of households too be done before June 2023.
- xiii. Districts completed with all household Geo-codes are Nakasongola, Butambala, Namutumba, Luuka, Bukedea, Amuria, TORoro, Kibuku, Pallisa, Butaleja, Kiboga, Kyankwanzi, Kabale and Kanungu.
- xiv. Report on the implementation of the Uganda Business Inquiry with funding from GOU. In period, listening and enumeration of non-household agricultural units continued.
- xv. The Bureau continued with presentations for the 2023 National Population and Housing Census. Population and Housing Censuses are the main source of demographic and socio-economic data in Uganda, necessary for policy formulation and implementation, monitoring and evaluation of the National development programmes. The overall objective of the NPHC 2023 census is to maintain approximate decennial censuses and ensure availability of time series population and associated statistical information at various administrative levels in the country. During the period, management prepared and submitted a Cabinet Memorandum on census implementation to Ministry of Finance, Planning and Economic Development. A corresponding budget was also submitted and presented to top management of MoFPED.

### 2.10.2 Semi-annual Financial Performance.

The approved budget for FY 2022/23 amounted to UGX 72.1 billion of which UGX 21.4 billion was wage, UGX 38.7 billion was non-wage, and UGX 11.9 billion approved for GoU development. By the end of December 2022, 41.7 percent of the approved budget had been released and 81.2 percent of this release spent.

Improvement in absorption for wage is due to successful recruitment of officers whereas non-wage absorption rate is mainly attributed to the ICT procurements that have not been completed but expect to be paid out after completion in Q4.

**Table 3xi** below indicates the semi annual financial performance for the FY2022/23 for UBOS

Shs Billions	Approved	Released	Spent	%released	%spent
Wage	21.39	10.70	8.70	50.02	81.31

NWR	38.73	15.33	12.13	39.59	79.13
GoU	11.94	3.98	3.23	33.34	81.16
Ext.	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>72.06</b>	<b>30.01</b>	<b>24.06</b>	<b>41.65</b>	<b>80.17</b>

## **2.11 Vote 149: NATIONAL POPULATION COUNCIL.**

### **2.11.1 Semi-annual Physical Performance.**

#### **A. Policy, planning and programming**

- i. Disseminated the National Population Policy (NPP) 2020 and the NPP Implementation Framework in 19LGs.
- ii. Supported the Uganda Parliamentary Forum on Food Security Population and Development (UPFFSPD) to carry out community dialogues against teenage pregnancy, child marriage and school dropout in Kaberamaido, Kapelebyong, Kumi and Soroti districts. Twenty-five (25) members of parliament including the staff administrators of the Forum (UPFFSPS) participated in the exercise.
- iii. Participated in the Regional BFPs Consultative Workshops to ensure that the Demographic Dividend (DD) and Population and Development issues are integrated into the Annual Work plans and Budgets for FY 2022/23 of Local Governments.
- iv. Disseminated Youth in Education, Employment and Training (NEET) findings in Uganda for Human capital Development, Mindset Change and Community Mobilization and Civil Society Budget Advocacy Group (CSBAG).
- v. Conducted a training of Statistical Committees from 15 districts (Adjumani, Agaigo, Amuru, Arua, Koboko, Lamwo, Madi Okollo, Maracha, Moyo, Neddi, Obongi, Pakwach, Terego, Yumbe, Zombo) on the online interactive spatial data portal.
- vi. Disseminated RAPID Model results in Eight (08) LGs of Apac, Kiruhura, Kole, Kwana, Mbarara, Oyam, Rwampara and Seheema with 160 officials attending.

#### **B. Family Health**

- i. Organized a Demographic Dividend Seminar to deliberate how harnessing Uganda's DD can be taken forward, including development of key milestones towards 2040.
- ii. Disseminated the district FP-CIPs for Kyankwanzi and Kabaale districts, with 20 participants (15 male and 5 female) in Kyankwanzi and 16 (12 male and 4 female) in Kabaale.
- iii. Developed a Demographic Dividend assessors' guide that provides the criteria for assessing each of the DD indicators.
- iv. Engaged the Parliamentary Committee on Public Service and Local Government and Budget Committee on issues that have hindered prioritization of DD interventions by Local Governments.

- v. Supported Network for African Women Ministries and Parliamentarians (NAWMP)-Uganda Chapter to develop the strategic plan for 2022-2025.
- vi. Organized the quarterly Family Planning Budget advocacy Group Coordination meeting.
- vii. Partnered with Holistic Initiative to Community Development (HOLD Uganda) to orient 50 leaders (36 male and 14 female)-political, religious and cultural-from BUyende on the importance of family planning in harnessing the DD.

#### **C. Information and Communication**

- i. Commemorated 2022 World Population Day on July 11, 2022 in Kumi district. More than 10,000 people participated in different events to commemorate the day.
- ii. Launched the State of Uganda Population Report 2022 under the theme "Mindset Change for Wealth Creation: Ending Child Marriage and Teenage Pregnancy".
- iii. Assessed potential host districts in preparation for the 2023 World Population Day.

#### **D. Monitoring and Evaluation**

- i. Conducted the GoU/UNFPA 8th CP annual Review and Work planning meeting to review performance on program implementation and achievement of results in 2022 and plan for the year 2023.
- ii. Developed and operationalized the National Population Council Knowledge Management Information System (NPC KMIS)
- iii. Conducted a detailed routine field monitoring exercise to 30 districts supported under the 9th GoU/UNFPA to assess progress made on implementation, share challenges and generate recommendations.
- iv. Assessed 281 households including 202 males and 79 females from 7 districts of Adjuman, Kabarole, Katakwi, Kibuube, Pallisa, Rukungiri and Sheema within the 7 statistical zones of Uganda on key indicators of Population Health and Environment.

#### **2.11.2Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 12.84 billion of which UGX 9.5 billion was wage and UGX 3.33 billion was non-wage. By the end of the first half of the FY 2022/23, 32.87 percent of the approved budget had been released and 89.77 percent of this release spent.

NPC received 100 percent of NWR as at half year as expected (50%). 98 percent of the released funds was absorbed by end of December. The unspent funds were due to the delay in remitting PAYE which has since been rectified. Failure to absorb development funds released was due to lags in the procurement process.

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**Table 3xii** below indicates the semi financial performance for Vote 149; National Population Council

<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	9.50	2.55	2.15	26.86	84.19
NWR	3.33	1.67	1.64	50.00	98.31
GoU	0.82	0.27	0.00	33.33	0.00
<b>Total</b>	<b>12.84</b>	<b>4.22</b>	<b>3.79</b>	<b>32.87</b>	<b>89.77</b>

## **2.12 Vote 153: PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY.**

### **2.12.1Semi-annual Physical Performance.**

- i. E-Government Procurement system (e-GP): Through the change management programs, the Authority supported the roll out of eGP. At the moment, 36 Government entities are fully utilizing the system. The Government expects full roll out across the country by 2025.
- ii. Procurement audits, Inspections and Investigations: PPDA through compliance monitoring has ensured that abandoned projects are completed for example abandoned projects by B & D International Ltd in Mitooma, Buhweju, and Rubirizi DLGs were completed and handed over to the beneficiaries. Improvement in the performance of the procurement and disposal functions across Entities. I.e. Record keeping, Reduction in forgery of documents, Accountability for works under Force Account Mechanism, implementation and awareness of Gender, Equity and Social Inclusion (GESI) and Environmental, Social, Health and Safety(ESHS) requirements in procurements particularly for works projects.
- iii. The Authority in collaboration with 12 Civil Society Organizations (CSOs) introduced a Contracts Monitoring Systems (CMS) a digital platform to aid CSOs monitor contracts and enhance the effectiveness of Government procurement and service delivery.
- iv. Since its inception, 203 poor contract management cases have been lodged onto the CMS. 112 cases (55%) were approved for review because they had merit, 30 cases (15%) were rejected due to lack of merit while 61(30%) are still pending review.

### **2.12.2Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 23.13 billion of which UGX 11.96 billion was wage, UGX 8.18 billion was non-wage and UGX 3 billion was GoU development. By the end of the second quarter, 38 percent of the approved budget had been released and 30 percent of this release spent

Unspent balance on wage is due to vacant positions not yet filled. Non-wage under absorption relates to gratuity payments that are spread out throughout

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the year. Unspent balance on development is due to the defects liability period of the PPDA/URF offices.

**Table 3xiii** below indicates the semi-annual financial performance for Vote 153; Public Procurement and Disposal of Public Assets Authority for the FY 2022/23

<b>Shs Billions</b>	<b>Approved</b>	<b>Released</b>	<b>Spent</b>	<b>%release</b>	<b>% spent</b>
Wage	11.96	5.98	5.78	50.00	48.31
NWR	8.18	1.90	1.12	23.23	13.64
GoU	3.00	1.00	0.04	33.34	1.20
<b>Total</b>	<b>23.13</b>	<b>8.88</b>	<b>6.93</b>	<b>38.38</b>	<b>29.95</b>

## **2.13 Vote 161: UGANDA FREE ZONES AUTHORITY**

### **2.13.1Semi-annual Physical Performance.**

- i. Export earnings from the Free Zones were USD 27.5 Million of which USD 47,128.11 was processed gold exports during the period ending December 2022 compared to USD 35.85 million for the same period last year. However, the self- reported gold Exports Free zones amounted to USD 167million. The major exports included cut Flowers, Wheat Flour, Packaged and branded Coffee, Processed Tobacco, Roasted Cocoa and Essential oils.
- ii. The actual jobs created by Free Zones stood at 10,628 jobs compared to 9,816 jobs for last year reflecting an increase of 80%.
- iii. Investment generated by Free Zones in the half year stood at USD 31 million compared to USD 302.9 million for the period of 31st December 2022. This decline is mainly attributed to lack Of major new investments in capital goods.
- iv. The local purchase and sub-contracting services were USD 17.4 million as compared to USD 5.82 million from Free Zones for the same period last year, reflecting an increase of 202%. This big increase was caused by Free Zones buying from local suppliers of goods and services due to global supply chain constraints and increasing local backward linkages.
- v. Construction works at Entebbe International Airport Free Zone are ongoing; Overall Project completion was approx. 40% by December 2022. Works are projected to reach 80% by December 2023 factoring in the projected release for FY2022/23.

- vi. A collaboration strategy between PPDA, OAG and IGG was completed. Since corruption is syndicated, it was necessary for the anti-corruption institutions to form a syndicate to fight and minimize corruption. This was also achieved with support from GIZ.
- vii. Conducted market price survey where market prices for common user items were published on the PPDA website. A model on determination of market prices was also developed for supplies and it is under pilot under pilot testing before publishing.
- viii. The Authority conducted a study to determine the causes of lengthy procurement processes. Delays in the procurement processes have persisted in Procuring and Disposing Entities despite several efforts to reduce procurement lead times. The major causes of delays include; Delays as a result of waiting on donors to give clearance of contract documents, Delays in seeking Solicitor General's clearance, delayed approval by the Solicitor General's office, Administrative delays in the Procurement process at the different approval stages.

### **2.13.2 Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 28.4 billion of which UGX 2.4 billion was wage, UGX 3.2 billion was non-wage and UGX 22.7 billion was GoU development. By the end of the second quarter, 35.4 percent of the approved budget had been released and 28.9 percent of this release spent.

**Table 3xiv** below indicates the semi-annual financial performance for Vote 161; Uganda Free-zones Authority for the FY 2022/23

<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	2.393	1.20	1.17	49.98	98.08
NWR	3.248	1.28	1.07	39.38	83.89
GoU	22.716	7.57	0.66	33.33	8.66
<b>Total</b>	<b>28.357</b>	<b>10.05</b>	<b>2.90</b>	<b>35.43</b>	<b>28.88</b>

## **2.14 Vote 162: UGANDA MICRO-FINANCE REGULATORY AUTHORITY**

### **2.14.1 Semi-annual Physical Performance.**

- i. Launched Self- help groups (SHCs) guidance after consultative meetings with the objective of improving the safety of the savings and public confidence.
- ii. UMRA conducted 6 supervision training of staff; to ensure a smooth supervision, regulation and a productive workforce.
- iii. Re-engineered business processes of licensing for the Authority through the simple information management system procured by September.
- iv. Reviewed 1200 Applications for licensing and Licensed 700 institutions after fulfilling the requirements (600 MLs, 55NDTs, 55 SACCOs) who

have continuously contributed to social economic transformation through job creation, including the underserved in the money economy. This brought to a total number of licensed institutions in 2022 to 1510.

- v. Carried on-site premise inspections for new boarded 400 institutions to identify their physical locations.
- vi. Complaints resolved were 50 from the borrowers (public) of licensed institutions which enabled the borrowers redeem their properties excess monies charged and a fair charge.

#### **2.14.2 Semi-annual Financial Performance**

The approved budget for FY 2022/23 amounted to UGX 15.1 billion of which UGX 2.2 billion was wage, UGX 7.5 billion was non-wage and GoU development was 5.45 Billion. By the end of the second quarter, 29 percent of the approved budget had been released and 70.7 percent of this release spent.

**Table 3xv** below indicates the semi-annual financial performance for Vote 162; Uganda Micro Finance Regulatory Authority for the FY 2022/23

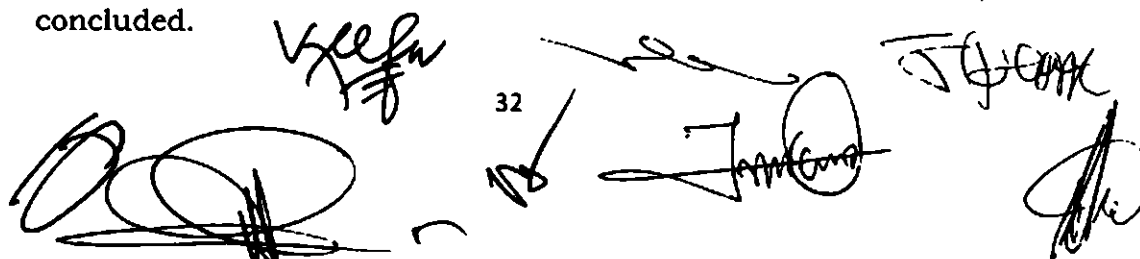
<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	2.17	1.09	0.98	49.98	90.41
NWR	7.52	2.46	2.14	32.69	86.86
GoU	5.45	0.87	0.00	15.91	0.00
<b>Total</b>	<b>15.14</b>	<b>4.41</b>	<b>3.12</b>	<b>29.13</b>	<b>70.66</b>

### **2.15 Vote 163: UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY**

#### **2.15.1 Semi-annual Physical Performance.**

- i. Developed and finalized the pre-user acceptance testing of the tools and templates for operationalization of the Risk-Based Supervision System.
- ii. Amendment of 8 regulations on licensing service providers, Investment of Scheme Funds, Financial Disclosure and Reporting Requirements, and Management and Operation of Schemes.
- iii. Annual retirement benefits sector performance report, 2021-2022 finalized and disseminated to stakeholders.
- iv. Sector assets grew by 11.8% to UGX 19.9 trillion in FY2021/22 from UGX 17.8 trillion in FY2020/21, accounting for about 12.2% (FY2020/21:12.1%) of Gross Domestic Product(GDP).
- v. 8 targeted scheme onsite inspections, and 3 market conduct due to diligence inspections on 3 service providers (to validate implementation of supervisory directives, soundness of internal controls, etc.) were concluded.

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- vi. Conducted district visits to West Nile districts of Moyo, Nebbi & Arua as part of the onsite inspection of the Public Service Scheme, and for complaints resolution.
- vii. Offsite analysis statutory returns on all 65 schemes, 25 service providers and 208 individual trustees.
- viii. Complaints Resolution: handled 66 complaints, resolved 19, and 47 complaints were still undergoing resolution efforts as at the end of the Q2. – UGX 314,657.435 has been paid to complaints.
- ix. 22 Trustees trained under the certification program with a view to enhance trustees knowledge in corporate government, risk management, investment governance and compliance monitoring processes.
- x. Planned for Q3&4.
- xi. 532 stakeholder representatives (comprised of 363 female and 170 male) including 60 informal sector workers sensitized about the mandate and function of the Authority, and importance of saving retirement, and priorities and developments pertaining to the Retirement Benefits Sector.
- xii. 35 (20 male, 15 female) business journalists trained on the peculiarities of Retirement Benefits Sector with a view to enhance sector media coverage.
- xiii. Public engagements: Inaugural Pension Symposium (URBRA @10), 9 TV talk shows, Quality Online Newsletters, 27 articles social media engagement reach of 171,333, and 8 high-level stakeholders (OPM, AG, NPA, EPRC, MoJCA, Cabinet Secretariat, and Council for Older Person in KCCA) on among others the Mandate and Functions of the Authority, importance and ways of saving for retirement, and Sector policy and development priorities.

#### **2.15.2Semi-annual Financial Performance.**

The approved budget for FY 2022/23 amounted to UGX 13.6 billion of which UGX 5.7 billion was wage and UGX 7.83 billion was non-wage. By the end of the second quarter, 44.3 percent of the approved budget had been released and 80 percent of this release spent.

**Table 3xvi** below indicates the semi-annual financial performance for Vote 163; Uganda Retirement Benefits Regulatory Authority for the FY 2022/23

<b>Shs Billions</b>	<b>approved</b>	<b>Released</b>	<b>Spent</b>	<b>%released</b>	<b>%spent</b>
Wage	5.79	2.90	2.60	50.00	89.85
NWR	7.83	3.14	2.24	40.15	71.09
GoU	0.00	0.00	0.00	0.00	0.00
Ext.	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>13.63</b>	<b>6.04</b>	<b>4.84</b>	<b>44.34</b>	<b>80.09</b>

### 3.0 Proposed Budget and Key Planned Activities for 2023/2024

#### 3.1 Vote 008 Ministry of Finance, Planning and Economic Development

The proposed Vote budget for FY 2023/24 amounts to UGX 2.394 trillion, down from 2.607 trillion approved for FY 2022/23. The decline is largely attributed to the reallocation made after UNOC had completed its equity contributions in the East African Crude Oil Pip Project which equivalent to UGX 430 billion.

The significant decline in Non-Wage Recurrent is being compensated by a projected rise in external financing from UGX 99.32 in FY 2022/23 to UGX 314 in FY 2023/24, as reflected in **Table 4i** below.

008	Ministry of Finance, Planning and Economic Development				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
008	Wage	9.3	9.3	0.0%	0
008	NWR	2310.56	1880.54	-18.6%	-430.02
008	GoU Devt	187.64	189.75	1.1%	2.11
008	External Financing	99.32	314.31	216.5%	214.99
008	<b>Total</b>	<b>2,606.82</b>	<b>2,393.90</b>	<b>-8.2%</b>	<b>-212.92</b>

##### 3.1.1 Key Planned Activities

#### A. Programme 03: Sustainable Petroleum Development

The Ministry has reported that it among others intends to undertake the following initiatives: -

- UNOC will secure financing for the Kampala Storage Terminal (KST) and undertake the development of designs for front-end engineering as well as secure an engineering procurement and a contractor.
- Other Corporate strategies to be implemented include execution of the Stakeholder Engagement and Management plan, conducting Media monitoring services of UNOC on all communication platforms in addition to acquisition of land for UNOC.

#### B. Programme 07: Private Sector Development

The Ministry has committed to undertake several initiatives to improve the capacity of private enterprises and access to finance. These include the following: -

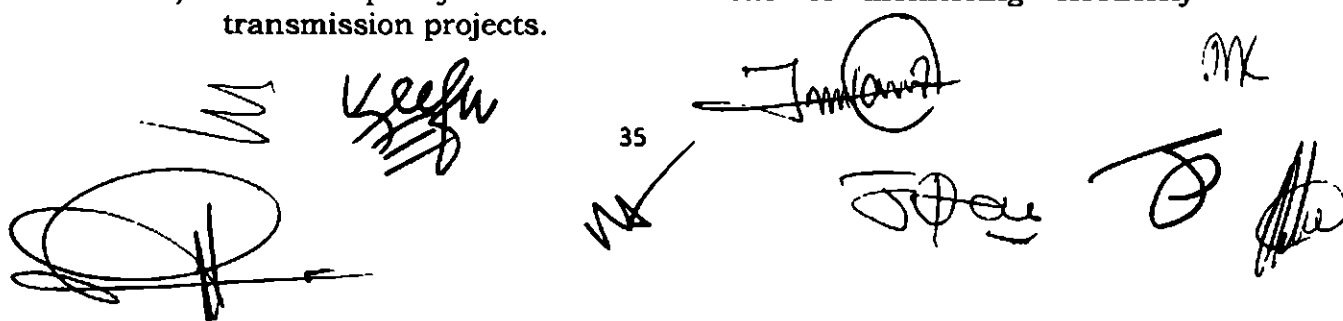
- i. Capitalization of Uganda Development Bank and other financing schemes to provide affordable long-term capital at affordable interest rates to agriculture, agro-processing and manufacturing for private sector growth.
- ii. Establish all Parish Development Model SACCOs countrywide as well as build their capacity. Further, the Ministry will develop an Accountability mechanism for the Parish Revolving Funds.
- iii. Trade-specific skills training for 12,000 women entrepreneurs in 1,890 parishes will be conducted. In addition, 5,850 Women entrepreneurs are targeted to benefit from the SMEs grant or credit finances.
- iv. Undertake a Mass roll-out, awareness & sensitization for 20,000 MSMES (50% Youth, 40%Female) through provision of Business Development Services (BDS).
- v. Establish a National Business Development Services (BDS) Centre of Excellence and structure the BDS delivery mechanism including building capacity and coordination of BDS providers in all districts with a focus on the financial inclusion pillar under PDM.
- vi. The Financial Sector Development Strategy (FSDS) will be implemented in addition to monitoring of the EMYOOGA Program. A number of policies will be developed including the Development Finance Institutions Policy and Agricultural Finance Policy.
- vii. Under the Competitiveness and Enterprise Development Program, the Ministry will put in place a Harmonized Tourism Licensing and Taxation Framework for MoTWA, develop the Tourism Quality Assurance Framework, develop capacity for tourism associations, undertake the development of the Integrated Destination Development Plans (IDDPs) for three Tourism Development Areas as well as develop capacity to replicate the planned initiatives.

### **C. Programme 08: Sustainable Energy Development**

Under this programme the Ministry has committed to focus on initiatives to support the financing of transmission lines, enhancing monitoring of transmission projects, and the review of energy- specific tax policies and regulations. The following key activities will be undertaken: -

- i) Engage Development Partners for support towards expansion of the electricity transmission network.
- ii) Participate in policy dialogue meetings at National, Regional, and International level to agree on financing frameworks for energy transmission projects.
- iii) Participation in negotiation meetings for transmission lines with potential financiers.
- iv) Build capacity of staff in areas of monitoring electricity transmission projects.

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- v) Monitor electricity transmission projects in selected districts to ensure they are completed on schedule, and that there is maximum return on investments.
- vi) Coordinate and service donor missions for appraisal of new transmission projects and assessment performance of ongoing projects.
- vii) Review of legislation for energy, oil and gas tax laws and propose respective amendments.
- viii) Carry out and implement energy-related tax policy proposals/tax amendments and regulations.

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

As the Ministry that spearheads the overall implementation of the national development plan, the following initiatives will be undertaken to improve planning, resources mobilization, budgeting as well as M&E function, and the economic management as a whole: -

- i) Update the macroeconomic framework and the government cashflow statement that reflect the overall performance of domestic revenues, loan repayments, external loans and grants and other financing. Analytical reports on the Structure of the economy will also be produced using the SAM (Social Accounting Matrix).
- ii) Expenditure reviews for various Programs will be undertaken including Governance and Security, Regional Development, Public Sector Transformation, Legislature and Private Sector Promotion Programmes to ensure efficiency in budgeting and resource utilization.
- iii) A strategy for investment of Government temporary surplus cash will be developed and discussed with all relevant stakeholders.
- iv) Monitoring of climate change financed projects in selected districts including Western, Eastern and Northern Uganda will be undertaken. External financing (Grant and Loan) Financing Agreements will be negotiated, approved and signed whereas the Report on Public Debt, Guarantees, other Financial Liabilities and Grants will be produced.
- v) The Ministry will develop the Tax and NTR Estimates for FY 2024/25 as well as conduct specific studies in relation to tax heads such as Income tax, VAT, Excise Duty, CIT, Customs to widen the revenue tax effort and base.

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

The proposed budget for FY 2023/24 amounts to UGX 20.803 billion, a 21.6 percentage point increment from the approved budget for FY 2022/23. This is on account of a 64 percentage increment in the Wage budget by UGX 5 7

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billion. At the same time, the Non-Wage Recurrent budget is estimated to increase by Shs. 3.935 billion

The GoU domestic development budget on the other hand is estimated to decline by UGX 2.399 billion, as further reflected in **Table 4ii** below;

108	National Planning Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
108	Wage	8.91	14.611	64.0%	5.701
108	NWR	20.242	24.177	19.4%	3.935
108	GoU Devt	4.414	2.015	- 54.3%	-2.399
108	Ext. Financing	0	0	0.0%	0
108	<b>Total</b>	<b>33.566</b>	<b>40.803</b>	<b>21.6%</b>	<b>7.237</b>

### 3.2.1 Key Planned Activities

- i. Timely production of the National Development Plan and attendant plan – **UGX 2.66 billion**. The Authority intends to undertake activities that include consultations, capacity building of MDAs, forecasting and studies leading to inform the production of NDP IV.
- ii. Strengthen the generation and use of evidence in development planning and implementation– **UGX 0.25 billion**.
- iii. Coordination of Africa Peer Review Mechanism (APRM) process and other global initiatives – **UGX 0.25 billion**
- iv. Strengthening public investment management across Government as part of development of bankable projects – **UGX 1.25 billion**
- v. Strengthening the implementation, monitoring and evaluation of NDP, policy and programs at all levels – **UGX 0.521 billion**
- vi. Staff and Institutional costs including salaries, Social Security, Gratuity and general administration – **UGX 32.606 billion**
- vii. Production and dissemination of mandatory reports – UGX 0.25 billion
- viii. Retooling including refurbishment and maintenance of the Planning House, procurement of ICT Equipment, furniture and fittings as well as support to staff professional courses – **UGX 2.015 billion**.

**Table 4iii** below further reflects NPA's unfounded priorities for the FY 2023/24

108	NATIONAL PLANNING AUTHORITY	Construction	Planning	
		House in the	first year	
		2022/23		30,000,000,000
		Rent		4,500,000,000

	Support to African Peer Review Mechanism Activities	5,800,000,000
	<b>TOTAL</b>	<b>40,300,000,000</b>

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

The proposed budget for FY 2023/24 amounts to UGX 13.797 billion representing a 70% in the allocation to the Board when compared to the approved budget for FY 2022/23. This is on account of an increase of the Non-Wage recurrent allocation from UGX. 5.598 billion Shs. 13.797 billion. The increase is largely attributed to the intension by Government to enhance revenue collections from the deployment of the National Central Electronic Monitoring System as reflected in **Table 4iii** below;

123	National Lotteries and Gaming Regulatory Board				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
123	Wage	2.484	2.484	0.0%	0
123	NWR	5.598	11.313	102.1%	5.715
123	GoU Devt	0	0	0.0%	0
123	External Financing	0	0	0.0%	0
123	<b>Total</b>	<b>8.082</b>	<b>13.797</b>	<b>70.7%</b>	<b>5.715</b>

#### 3.3.1 Key Planned Activities

- Sector Compliance, Enforcement, Legal and Board Activities – **UGX 0.989 billion**
- Supporting the National Central Electronic Monitoring System – UGX 6.833 billion
- Strategy and Corporate Affairs
- Wages 2.484 billion
- Finance and Administration – Shs. 2.462 billion

Unfunded Priorities for Vote 123 are reflected in **Table 4iv** below;

123	NATIONAL LOTTERIES AND GAMING REGULATORY BOARD	Automation of internal business processes	450,000,000
		ISO 27701 Privacy information system certification	150,000,000
		Digital/Online counselling platform for problem gamblers	50,000,000
		Procurement of vehicles	700,000,000
		Due diligence	320,000,000
		Operationalization of the National Lottery	300,000,000
		Wage	1,271,700,000
		Service award	620,000,000

	Countrywide awareness campaigns	300,000,000
	Regional Offices	240,000,000
	<b>TOTAL</b>	<b>4,401,700,000</b>

### 3.4 Vote 129 Financial Intelligence Authority (FIA)

The proposed budget for FIA for FY 2023/24 amounts to UGX 27.201 billion, representing a 2.1% percentage increase from the approved budget for FY 2022/23. The budget for FIA has almost remained unchanged save for a UGX 550 million increase to enhance the retooling of the Agency. Whereas Wage is expected to remain the same after an enhancement in 2022/23 to cater for recruitment of more staff, the recurrent budget is expected to slightly decline by 0.3 percentage points, as reflected in **Table 4v** below;

129	Financial Intelligence Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
129	Wage	9.594	9.594	0.0%	0
129	NWR	16.928	16.878	-0.3%	-0.05
129	GoU Devt	0.129	0.729	465.1%	0.6
129	External Financing	0	0	0.0%	0
129	<b>Total</b>	<b>26.651</b>	<b>27.201</b>	<b>2.1%</b>	<b>0.55</b>

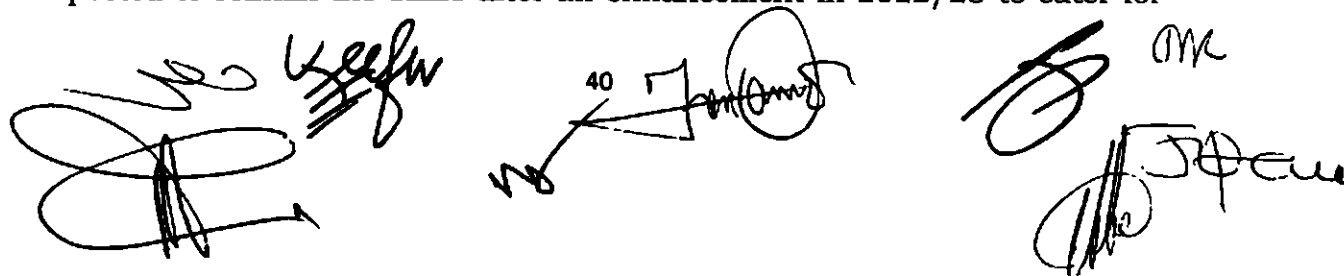
#### 3.4.1 Key Planned Activities

- i. Strengthen research and development to address emerging security threats- **UGX 0.4 billion**
  - To undertake 4 typology studies/risk assessments to identify trends and methods of money laundering and terrorism financing.
- ii. Strengthen the enforcement and ensure compliance to accountability rules and regulations - **UGX 3.801 billion**
  - Registration of at least 1000 accountable persons and train them on the usage of the goAML system.
  - Review of 320 Annual Compliance Reports, 80 Risk Assessments, 80 Independent AML/CFT audits and 4 Reports from supervisory bodies.
  - Issue sanctions for non-compliance with the AML/CFT/CPF laws.
  - Conduct 14 Risk Based Onsite inspections on various accountable persons.
  - Hold 8 engagements with supervisory bodies to compel accountable persons to register.

- iii. Strengthening the prevention, detection and elimination of corruption – **UGX 5.937 billion**
- Disseminate at least 80 intelligence reports to Law Enforcement Agencies (LEAs)
  - Conduct at least 40 financial due diligence checks on companies that want to partner with Government of Uganda on development projects
  - Conduct 4 inter agency engagements with Inspectorate of Government to address corruption related matters.
  - Responding to all requests for information from competent authorities handling corruption.
- iv. Strengthen boarder control and security – **UGX 0.1 billions.**
- Analysis of all declarations of cash and Bearer Negotiable Instruments (BNIs) received from URA in accordance with Sec. 10 of the AML Act 2013 (as amended).
- v. Strengthen capacity and handle emerging and prevailing sophisticated crimes such a cybercrimes – **UGX 2.086 billion**
- To acquire modern ICT equipment re-engineer systems and business processes to increase efficiency and effectiveness in prevention of financial crimes.
- vi. Review and develop appropriate policies for effective governance and security UGX 0.644 billion.
- Initiating the enactment of proceeds of Crime Law.
  - Issuance of Regulations and Guidance in respect of confiscation, seizure and restraint of proceeds of crime and Guidelines for Virtual Assets Service Providers.
  - Submission of International Cooperation Review Group (ICRG) progress reports.
  - East and Southern African Anti Money Laundering Group (ESAAMLG) follow up reports prepared and submitted.
  - Financial Action Task Force (FATF) follow up reports submitted.
- vii. Improve the capacity and capability of the Security Sector through training and equipping personnel. – **UGX 14.233 Billion**
- Enhance the efficiency and effectiveness of FIA to execute its mandate.
  - Train 20 FIA staff to effectively and efficiently address the emerging ML/TF/PF trends, techniques and methods.

### **3.5 Vote 129 Financial Intelligence Authority (FIA)**

The proposed budget for FY 2023/24 amounts to UGX 27.201 billion, representing a 2.1% percentage increase from the approved budget for FY 2022/23. The budget for FIA has almost remained unchanged save for a UGX 550 million increase to enhance the retooling of the Agency. Whereas Wage is expected to remain the same after an enhancement in 2022/23 to cater for



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recruitment of more staff, the recurrent budget is expected to slightly decline by 0.3 percentage points, as reflected in **Table 4vi** below;

<b>129</b>	<b>Financial Intelligence Authority</b>				
		<b>2022-2023</b>	<b>2023-2024</b>	<b>Change</b>	
<b>Vote</b>	<b>Vote name</b>	<b>Approved</b>	<b>Estimates</b>	<b>%</b>	<b>Nominal</b>
129	Wage	9.594	9.594	0.0%	0
129	NWR	16.928	16.878	-0.3%	-0.05
129	GoU Devt	0.129	0.729	465.1%	0.6
129	External Financing	0	0	0.0%	0
129	<b>Total</b>	<b>26.651</b>	<b>27.201</b>	<b>2.1%</b>	<b>0.55</b>

### **3.5.1 Key Planned Activities**

- i. Strengthen research and development to address emerging security threats– **UGX 0.4 billion**
  - To undertake 4 typology studies/risk assessments to identify trends and methods of money laundering and terrorism financing.
- ii. Strengthen the enforcement and ensure compliance to accountability rules and regulations – **UGX 3.801 billion**
  - Registration of atleast 1000 accountable persons and train them on the usage of the goAML system.
  - Review of 320 Annual Compliance Reports, 80 Risk Assessments, 80 Independent AML/CFT audits and 4 Reports from supervisory bodies.
  - Issue sanctions for non-compliance with the AML/CFT/CPF laws.
  - Conduct 14 Risk Based Onsite inspections on various accountable persons.
  - Hold 8 engagements with supervisory bodies to compel accountable persons to register.
- iii. Strengthening the prevention, detection and elimination of corruption – **UGX 5.937 billion**
  - Disseminate at least 80 intelligence reports to Law Enforcement Agencies (LEAs)
  - Conduct at least 40 financial due diligence checks on companies that want to partner with Government of Uganda on development projects.

- Conduct 4 inter agency engagements with Inspectorate of Government to address corruption related matters.
  - Responding to all requests for information from competent authorities handling corruption.
- iv. Strengthen boarder control and security – **UGX 0.1 billions.**
- Analysis of all declarations of cash and Bearer Negotiable Instruments (BNIs) received from URA in accordance with Sec. 10 of the AML Act 2013 (as amended)
- v. Strengthen capacity and handle emerging and prevailing sophisticated crimes such a cybercrimes – **UGX 2.086 billion**
- To acquire modern ICT equipment re-engineer systems and business processes to increase efficiency and effectiveness in prevention of financial crimes.
- viii. Reviewand develop appropriate policies for effective governance and security UGX 0.644 billion.
- Initiating the enactment of proceeds of Crime Law.
  - Issuance of Regulations and Guidance in respect of confiscation, seizure and restraint of proceeds of crime and Guidelines for Virtual Assets Service Providers.
  - Submission of International Cooperation Review Group (ICRG) progress reports.
  - East and Southern African Anti Money Laundering Group (ESAAMLG) follow up reports prepared and submitted.
  - Financial Action Task Force (FATF) follow up reports submitted.
- ix. Improve the capacity and capability of the Security Sector through training and equipping personnel. – **UGX 14.233 Billion**
- Enhance the efficiency and effectiveness of FIA to execute its mandate.
  - Train 20 FIA staff to effectively and efficiently address the emerging ML/TF/PF trends, techniques and methods.

### 3.5.2 Unfunded Priorities (Table 4vii)

129	FINANCIAL INTELLIGENCE AUTHORITY	Conducting financial due diligence	2,000,000
		Operational shortfall as a result of staff recruitment	1,000,000
		Travel abroad	500,000
		ICT equipment	1,500,000

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	Enhancing retooling budget	4,500,000
	Wage shortfall	1,000,000
	<b>TOTAL</b>	<b>10,500,000</b>

### 3.6 Vote 130 Treasury Operations

The proposed budget for FY 2023/24 amounts to UGX 18.75 trillion, representing an 11.6% increase from UGX 16.8 trillion revised budget for FY 2023/24, as reflected in **Table 4viii** below;

The substantial rise in the Vote allocation is largely on account of;

- o This is largely on account of UGX 1.25 trillion Bank of Uganda debt repayment as well as recapitalisation of the Bank of UGX 217.3 billion.
- o A rise in external loan interest costs by UGX 148.7 billion
- o A rise in interest on Treasury Bills by Shs. 91 billion
- o A rise in external debt principal debt service by UGX 322.9 billion

ITEM	Revised FY 2022/23	Estimates FY 2023/24	Annual Change	
			%	Nominal
<b>Interest Costs</b>				
External Loan Interest	871,443,354,072	1,020,152,608,469	17.1%	148,709,254,397
Commitment Fees	48,698,916,908	69,348,801,515	42.4%	20,649,884,607
Debt Management	137,038,580,488	48,156,784,720	-64.9%	-88,881,795,768
Interest on T-Bills	583,536,681,348	650,834,724,836	11.5%	67,298,043,488
Interest on T-Bonds	4,133,709,896,014	4,225,155,156,016	2.2%	91,445,260,002
<b>Sub-total: Interest</b>	<b>5,774,427,428,830</b>	<b>6,013,648,075,556</b>	<b>4.1%</b>	<b>239,220,646,726</b>
Listing Fees (USE)	1,380,000,000	1,380,000,000	0.0%	0
Others (Promissory Notes, Bank Charges)	145,690,774,417	0		-145,690,774,417
External Debt Principal	2,412,206,795,951	2,735,121,215,864	13.4%	322,914,419,913
Domestic Securities Redemption	8,008,000,000,004	8,358,000,000,000	4.4%	349,999,999,996
Contingencies Fund	62,068,387,000	171,000,000,000	175.5%	108,931,613,000
BoU Reimbursement	0	1,250,674,300,000		1,250,674,300,000
BoU Capitalization	0	217,330,000,000		217,330,000,000
Court Awards	396,000,000,000	0		-396,000,000,000
<b>Sub-total</b>	<b>11,025,345,957,372</b>	<b>12,733,505,515,864</b>	<b>15.5%</b>	<b>1,708,159,558,492</b>
<b>Grand Total</b>	<b>16,799,773,386,202</b>	<b>18,747,153,591,420</b>	<b>11.6%</b>	<b>1,947,380,205,218</b>

#### 3.6.1 Key Planned Activities

- i. Interest costs Payments – **UGX 6.013 trillion**
- ii. Other debt payments – **UGX 12.733 trillion**
  - a. o/w Debt rollover – UGX 8.358 trillion
  - b. o/w Contingencies Fund Management – UGX 171 billion

Other planned activities with no budgetary allocation include;

- iii. **International Specialized Hospital in Lubowa - UGX 227.56 bn.**

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Promissory Notes with respect to the The project was approved by Parliament on 12<sup>th</sup> March 2019 with the Hon. MoFPED authorised to issue Promissory notes (PNs) of up to USD 379.6 million for implementation of Lubowa hospital project. Subsequently, GoU issued and paid off 7 PNs amounting to USD133.5 Million. The unissued Promissory notes were cancelled and an amendment to the Project Works Agreement (PWA) was entered into with the Contractor. Under the Amendment, new Promissory notes were issued and 5 of these are scheduled to mature during the FY 2023/24.

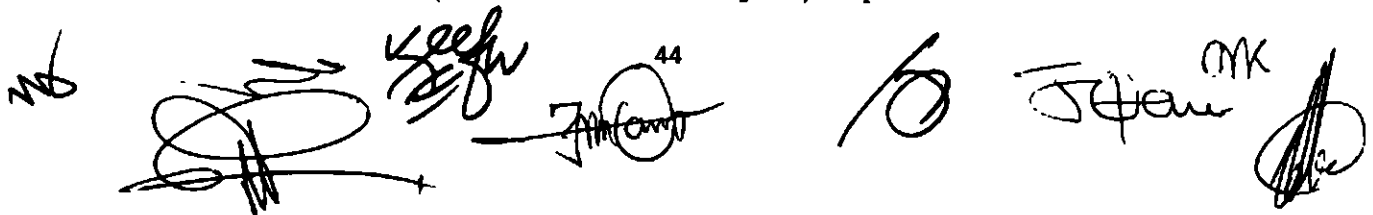
- iv. Roko Shares -UGX. 54.9billion. This arises from the share subscription agreement signed between Government of Uganda and Roko construction on 28th July 2022. Two Bills of Exchange amounting to Ugx.54.9 billion under this agreement are scheduled to mature during the course of FY 2023/24.

- v. Bank of Uganda charges - UGX 150.69 billion.

These are costs incurred by Government of Uganda arising from a Memorandum of Understanding (MoU) and a Service Level Agreement (SLA) signed between GoU and BoU in 2019 to streamline the operations between the two institutions. One of the objectives of the MoU was for Government to reduce the costs of capitalising the BoU by directly contributing towards the costs of monetary policy through charging government for the services offered by the Bank.

Bank Charges include;

- i) Costs of electronic funds transfers (EFTs) and Real Time Gross Settlements (RTGS) for all government entities. Each EFT is charged at Ugx. 200 and on average, Government transmits approximately 7.5 Million EFTs annually.
- ii) Delayed reimbursements to BoU for domestic debt paid to investors of holders of government securities upon maturity.
- iii) Bank charges also arise when Government obtains a Temporary advance for Treasury operations in managing Cash flows in the short run (with in the financial year) as provided for under sec 36



of PFMA 2015. Such an advance is limited to 10% of the approved revenues of the financial year and must be repaid back within the same FY. In this case the Bank will charge a market rate on this advance which is paid for under the Bank charges item.

**Table 4ix** below is the Bank Charges breakdown;

<b>FY 2023/24 BANK CHARGES BREAKDOWN</b>	
<b>Charge type</b>	<b>2023/24 projection (Ugx)</b>
Charges on BoU Advance	82,191,780,822
Late Reimbursement Charges	53,498,993,595
EFT and Other Bank Charges	15,000,000,000
<b>Total</b>	<b>150,690,774,417</b>

vi. ICJ Court Award to DRC.

The proposed Court awards requirement for FY 2023/24 is meant to cater for the International Criminal court of Justice (ICJ) award to Congo and other judgement creditors who have claims against Government. The budget is summarised in **Table4x** below;

<b>2023/24 COURT AWARDS</b>	
<b>Detail</b>	<b>Amount (Ugx)</b>
ICJ-Congo Award (USD 65 M)	248,000,000,000
Other Court awards	133,492,497,963
<b>Total</b>	<b>381,492,497,963</b>

**Table 4xi** reflects Treasury Operation's key unfunded Priorities.

130	TREASURY OPERATIONS	Lubowa Hospital Promissory	228,000,000,000
		Roko Share Purchase	54,900,000,000
		BoU charges	151,000,000,000
		ICJ Court Award to Congo	248,000,000,000
		Other Court Awards	133,000,000,000
		<b>TOTAL</b>	<b>814,900,000,000</b>

### 3.7 Vote 131 Auditor General

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The proposed budget for FY 2023/24 amounts to UGX 97.2 billion, down from UGX 99.57 billion approved for FY 2022/23. The decline in allocation to the Office of the Auditor General represents 2.3% and was largely on account of cut of UGX 2 billion on the domestic Development budget of the Office. This is on account of a 16.8 percentage increment in the non-wage recurrent as reflected in **Table 4xii** below;

131	Office of the Auditor General				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
131	Wage	43.524	43.52	0.0%	-0.004
131	NWR	52.288	51.965	-0.6%	-0.323
131	GoU Devt	3.76	1.76	-53.2%	-2
131	External Financing	0	0	0.0%	0
131	<b>Total</b>	<b>99.572</b>	<b>97.245</b>	<b>-2.3%</b>	<b>-2.327</b>

### 3.7.1 Key Planned Activities

#### A. Under External Audit Services;

- i. The office plans to conduct a total of 3,420 Audits. These include 3,269 financial audits, 20 Value for Money Audits, 8 Engineering Audits, 99 forensic investigations, 10 IT Audits and 12 Treasury memoranda Audits.
- ii. Development of a multi-year overall audit strategy aligned to the Programmatic approach.
- iii. Review the Shared Overall risk Assessment Policy
- iv. Development of the EITI Country Report in the role of the Office of AG as the EITI multi-stakeholder Group Independent Administrator.
- v. Establish and timely update of a Centralised Audit population database
- vi. Continued Implementation of the Integrated Audit Approach

#### Under Support to Audit Services.

- i. Deployment and roll out of the internally developed Audit Management System aligned to user needs and emerging audit issues, to enhance cost efficiency, increase utilisation and enhance quality of audits.
- ii. Undertaking quality assurance control

Unfunded Priorities of the Office of the Auditor General are reflected in **Table 4xiii** below;

131	OFFICE OF THE AUDITOR GENERAL	Increasing Staff number and implementation of the recommendations of Job Evaluation recommendations and Man Power Analysis(Including Non-wage components	41,196,000,000
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	Expanding range and scope of audits (including Local government audits, parish development model, Value for money audits, Forensic and Specialized Audits)	16,053,000,000
	Procurement of field vehicles to replace ageing fleet	7,000,000,000
	Audit of Missions abroad	2,500,000,000
	Staff Capacity building in Emerging new areas such as Oil and Gas, VFM, forensic investigations and engineering audits	2,823,000,000
	Development of an in-house Audit Management System	5,400,000,000
	Acquisition of additional land for construction of the centre of Audit Excellence	1,800,000,000
	Mechanism for mainstreaming Citizen Participation in the Audit process	2,493,000,000
	Re- construction of Branch offices	1,800,000,000
	Upgrading ICT and Security Infrastructure	4,320,000,000
	Stakeholder Engagement activities	2,920,000,000
	OAG Impact Assessment and Perception Survey	1,203,000,00
	Acquisition of tools to undertake Specialized Audits	2,700,000,000
<b>TOTAL</b>		<b>92,208,000,00</b>

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

The proposed budget for FY 2023/24 amounts to UGX 167.21 billion, down from UGX 302.66 billion approved for FY 2022/23, representing a 44.8 percentage decline. This is largely on account of a reduced allocation for domestic development projects from UGX 66 billion to UGX 1.4 billion, as reflected in **Table 4xlv** below;

Domestic Development and External Financing are declining by UGX 64.95 billion and UGX 70.5 billion respectively. This will largely affect the ongoing works at Mbale Industrial Park which are intended to protect the industrial park from flooding.

138	Uganda Investment Authority		
	2022-2023	2023-2024	Change

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Vote	Vote name	Approved	Estimates	%	Nominal
138	Wage	6.83	6.83	0.0%	0
138	NWR	8.23	8.23	0.0%	0
138	GoU Devt	66.35	1.4	-97.9%	-64.95
138	External Financing	221.25	150.75	0.0%	-70.5
138	<b>Total</b>	<b>302.66</b>	<b>167.21</b>	<b>-44.8%</b>	<b>-135.45</b>

### 3.8.1 Key Planned Activities

- i. Industrial Park Development and Management – **UGX 150.75 billion**
- ii. Complete the construction of the Kampala Industrial and Business Park, Namanve
- iii. To promote Uganda as the preferred Foreign Direct Investment destination in Africa – **UGX 8.23 billion**
- iv. Organising and implementing a strategic investor targeting program through an internationally accredited FDI intelligence tool as well as liaising with Uganda's foreign Missions and Missions accredited to Uganda for investment promotion and follow up on investment leads.
- v. The Authority intends to facilitate One Stop Centre Services to Ugandans in the diaspora through the Diaspora Desk and to maintain a database on the identity, location and skill of the Ugandan Diaspora together with relevant entities of Government.
- vi. To enhance UIA's institutional capacity– **UGX 6.83 billion**
- vii. The Authority will enhance Business Development Services offered to prospective investors and mentorship of investors who access all its Business Development Centres.
- viii. Human Capital Development of Authority Staff especially on strengthening the Financial Intelligence and Development of Bankable projects to ease access to investment data that will enhance investments in Uganda.

**Table 4xv below reflected Uganda Investment Authority's Unfunded Priorities**

138	UGANDA INVESTMENT AUTHORITY	Setup border makers, secure and fence industrial parks across the country to implement the Regional Industrial Parks Dev't programme	6,000,000,000
		Development of Infrastructure at Liao Shen Industrial Park, Kapeeka and Mbale Industrial Park	245,530,000,000

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	Setup of a regional one stop centre and Development of new eBiz services	4,000,000,000
	Conduct research & provide policy advocacy for conducive investment environment	2,000,000,000
	Feasibility studies to develop profitable investments profiles/ Business cases	2,000,000,000
	Funds to finance activities of the Owner's Engineer for FY 23/24	9,000,000,000
	<b>TOTAL</b>	<b>268,530,000,000</b>

### 3.9 Vote 140 Capital Markets Authority

The proposed budget for FY 2023/24 amounts to UGX 7.934 billion, down from UGX 8.57 billion approved for FY 2022/23. The decline is on account of a reduction in the allocation to the Non-wage Recurrent budget of the entity by UGX 636 million, as reflected in **Table 4xvi** below;

140	Capital Markets Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
140	Wage	3.475	3.475	0.0%	0
140	NWR	5.095	4.459	-12.5%	-0.636
140	GoU Devt	0	0	0.0%	0
140	External Financing	0	0	0.0%	0
140	<b>Total</b>	<b>8.57</b>	<b>7.934</b>	<b>-7.4%</b>	<b>-0.636</b>

#### 3.9.1 Key Planned Activities

##### i. Public Education initiatives – UGX 1 billion

The Authority will popularise the use of Collective Investment Schemes (CIS) as a viable saving option for the population. A significant pool of CIS Assets is expected to provide an alternative of savings for Government borrowing, freeing up banks to lend to the real sector of the economy.

This is expected to raise the size of assets under management of CIs Managers from UGX 1.3 trillion (as at end of June 2022) to UGX 1.8 trillion by the end of FY 2023/24.

##### ii. Deepening and widening of the Capital Markets – UGX 1.483 billion

Capital Markets Authority will continue to roll out its Issuer Resource Persons Program where different companies will be advised on the process of accessing market based financing.

The Authority will develop provisions under the licensing regulations to provide for the registration of Private Equity Funds and Venture Capital Funds.

Unfunded Priorities of Capital Markets Authority are as reflected in **Table 4xvii** below;

140	CAPITAL INVESTMENTS AUTHORITY	Investor and issuer outreach programmes	670,000,000
		Setting up national wide media campaign	250,000,000
		Stakeholder engagements	160,000,000
		<b>TOTAL</b>	<b>1,080,000,000</b>

### 3.10 Vote 141 Uganda Revenue Authority

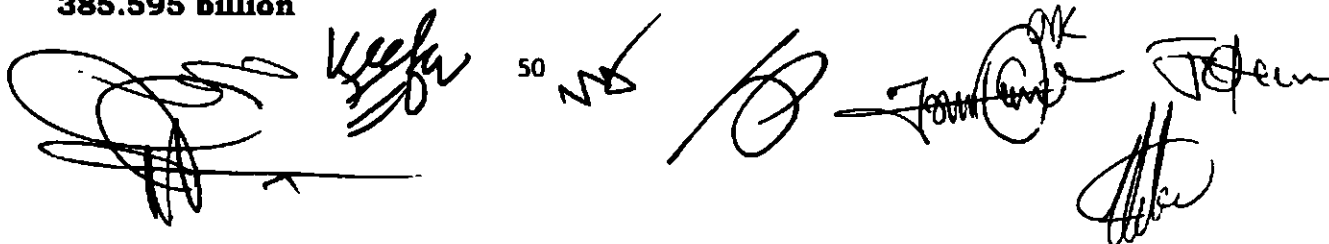
The proposed budget for FY 2023/24 amounts to UGX 619.99 billion, up from UGX 539.834 billion approved for FY 2022/23, representing a 14.8% increase in the overall budget for the Revenue Authority, as reflected in **Table 4xviii** below;

Wage, Non-Wage Recurrent and domestic Development are projected to rise by UGX 48.005 billion, UGX 30.894 billion and UGX 1.257 billion respectively.

141	Uganda Revenue Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
141	Wage	205.495	253.5	23.4%	48.005
141	NWR	290.276	321.17	10.6%	30.894
141	GoU Devt	44.063	45.32	2.9%	1.257
141	External Financing	0	0	0.0%	0
141	<b>Total</b>	<b>539.834</b>	<b>619.99</b>	<b>14.8%</b>	<b>80.156</b>

#### 3.10.1 Key Planned Activities

- i. Tax payer engagements and consultations with the private sector associations for improved compliance – **UGX 29.408 billion**
- ii. Tax education and awareness interventions across regions, sectors and gender including public relations outreach, tax accountability drives and client support initiatives will be conducted. This will include Regional Integrity consultations, campaigns, and investigations that will strengthen staff compliance to procedures, guidelines and standards to curb corrupt tendencies and minimise revenue leakages.
- iii. Tax compliance and improvement in revenue administration – **UGX 385.595 billion**

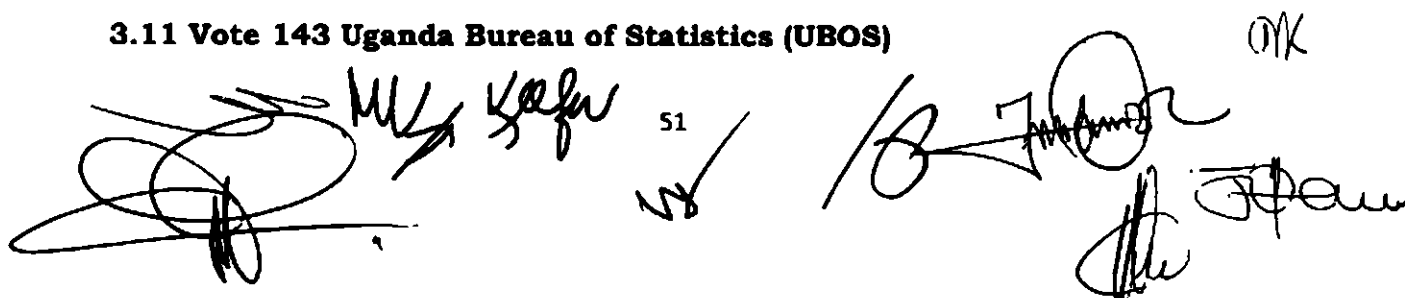
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- iv. This category of activities include talent sourcing, training and maintenance. Also included is implementation of alternative dispute resolution, tax intelligence, and investigation and compliance enhancement.
- v. Revenue collections enhancement – **UGX 120.33 billion**
- vi. Support on-time filing and payments enforcement interventions. A robust arrears and debt recovery intervention program support is expected to raise revenue significantly.
- vii. Electronic tax systems support – **10.693 billion**
- viii. The Authority will deepen the implementation of the Electronic Fiscal Receipt and Invoicing Solution (EFRIS) as well as the Digital Stamps Solution (DSS).
- ix. Big data analysis techniques incorporated in the audit and investigations – **UGX 11.049 billion**
- x. Extensive internal audits and assurance reforms will be instituted in the Authority. The use of Artificial Intelligence to analyse big data will be deployed in URA. The Business Intelligence Tool will be revamped into a data lake to facilitate big data analytics for compliance support in audits.
- xi. Research and evaluation capacity building – **UGX 19.595 billion**
- xii. The Authority is intends to operationalize the Research and Innovation hub and support process re-engineering. The hub will also conduct corporate assessments as well as evaluation surveys.
- xiii. URA Retooling under capital development – **UGX 44.32 billion**
- xiv. This involve completion of construction of Masaka regional office and commencement of construction of Gulu office. Other procurements include vehicles, IT tools and data centre migration, disaster recovery system maintenance and licenses as well as E-Tax 2 interventions.

**Table 4xix below indicates the unfunded priorities for Vote 141; Uganda Revenue Authority**

141	UGANDA REVENUE AUTHORITY	Rental Tax Compliance Management System	14,785,000,000
		Specialized Audits	16,700,000,000
		<b>TOTAL</b>	<b>31,485,000,000</b>

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

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The proposed budget for FY 2023/24 amounts to UGX 249.29, up from UGX 72.06 approved for FY 2022/23, representing a 245.9 percentage increase. The increase is largely attributed to a provision of UGX 176.9 billion for conducting the Uganda Population and Housing Census. Successfully conducting the Census is premised on the Bureau receiving additional financing the current FY 2022/23 to undertake critical pre-census activities and procurements. This is reflected in **Table 4xx** below;

<b>143 Uganda Bureau of Statistics</b>					
		<b>2022-2023</b>	<b>2023-2024</b>	<b>Change</b>	
<b>Vote</b>	<b>Vote name</b>	<b>Approved</b>	<b>Estimates</b>	<b>%</b>	<b>Nominal</b>
143	Wage	21.39	21.39	0.0%	0
143	NWR	38.73	214.43	453.7%	175.7
143	GoU Devt	11.94	13.47	12.8%	1.53
143	External Financing	0	0	0.0%	0
143	<b>Total</b>	<b>72.06</b>	<b>249.29</b>	<b>245.9%</b>	<b>177.23</b>

### **3.11.1 Key Planned Activities for Vote 143; Uganda Revenue Authority**

The Bureau intends to undertake the following activities;

- i. Produce regular statistics including Quarterly and Annual GDP estimates, weekly and monthly Consumer Price Indices (CPI), monthly Producer Price Indices (PPIs), monthly Construction Input Price Indices (CIPI), monthly Index for production
- ii. National Manpower Survey Reporting
- iii. National Population and Housing Census enumeration and reporting
  - i. FY 2022/23 Uganda National Household Survey reporting
  - ii. National Livestock Census reporting
- iii. Progress reporting on the Uganda Household Integrated Survey – Panel
- iv. Progress reporting on the Uganda Household Integrated Survey – Agriculture
- v. Uganda Business Inquiry reporting
- vi. Reporting on the National Manpower survey

**Table 4xxi** below indicates Uganda Revenue Authority's Unfunded Priorities

<b>143</b>	<b>UGANDA BUREAU OF STATISTICS</b>	Redevelopment of Entebbe & the East Africa Statistics	1,270,000,000
		NPHC 2023	195,400,000,000
		Workman's compensation	1,000,000,000
		<b>TOTAL</b>	<b>197,670,000,000</b>

### 3.12 Vote 149 National Population Council

The proposed budget for FY 2023/24 amounts to UGX 11.99 billion down from UGX 13.73 billion approved in the budget for FY 2022/23. The proposed estimates represent a decline of UGX 1.74 billion or 12.7% of the budget, as reflected in **Table 4xxii** below.

149	National Population Council				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
149	Wage	3.33	3.3	-0.9%	-0.03
149	NWR	9.58	8.45	-11.8%	-1.13
149	GoU Devt	0.82	0.24	-70.7%	-0.58
149	External Financing	0	0	0.0%	0
149	<b>Total</b>	<b>13.73</b>	<b>11.99</b>	<b>-12.7%</b>	<b>-1.74</b>

#### 3.12.1 Key Planned Activities

- Policy, planning and Support Services – **UGX 6.33billion**
- Population Advocacy, Family Health & Communication – **UGX 5.11 billion**

**Table 4xxiii** below indicates the unfunded priorities.

149	NATIONAL POPULATION COUNCIL	Capacity Building of HLGs and LLGs in managing Population Data Systems	436,000,000
		Integration of Demographic Dividend Priorities at National and Sub National Levels	1,354,492,000
		<b>TOTAL</b>	<b>1,790,492,000</b>

### 3.13 Vote 153 PPDA

The proposed budget for FY 2023/24 amounts to UGX 23.105 billion. The budget estimates level has remained relatively the same for the Authority for FY 2022/23, as reflected in **Table 4xxiv** below;

153	Public Procurement and Disposal of Public Assets Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
153	Wage	11.96	11.96	0.0%	0
153	NWR	8.18	8.15	-0.3%	-0.025
153	GoU Devt	3.00	3.00	0.1%	0.004
153	External Financing	0.00	0.00	0.0%	0
153	<b>Total</b>	<b>23.13</b>	<b>23.105</b>	<b>-0.1%</b>	<b>-0.021</b>

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### 3.13.1 Key Planned Activities

Procurement and Disposal Services – UGX 3.45 billion

Inspection and Monitoring – UGX 1.32 billion

Compliance and Enforcement Services – UGX 0.553 billion

**Table 4xxv** below indicates the **unfunded Priorities for Vote 153; PPDA;**

153	PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY	Expansion of Audit and inspections Coverage	4,700,000,000
		Monitoring the implementation of local content in public procurement	2,500,000,000
		Development and Dissemination of Standard Bidding Documents and regulations	2,500,000,000
		Change management and supporting the rollout of electronic Government Procurement(eGP)	1,150,000,000
		<b>TOTAL</b>	<b>10,850,000,000</b>

### 3.14 Vote 161 Uganda Free Zones Authority

The proposed budget for FY 2022/23 amounts to UGX 28.36 billion, a 103-percentage increment from the approved budget for FY 2021/22. This is on account of a 14.8 percentage increment in the GoU development budget by UGX 14.84 billion. This is in support of the Entebbe International Airport Free Zone project where the second production unit, trade house and anchor units are expected to be constructed during FY 2022/23, as reflected in **Table 4xxvi** below;

161	Uganda Free Zones Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
161	Wage	2.39	2.39	0.0%	0.00
161	NWR	3.25	3.78	16.3%	0.53
161	GoU Devt	22.72	5.41	0.0%	-17.31
161	External Financing	0.00	0.00	0.0%	0.00
161	<b>Total</b>	<b>28.36</b>	<b>11.58</b>	<b>-</b> <b>59.2%</b>	<b>-16.7766</b>

### 3.14.1 Key Planned Activities

Construction Management – **UGX 5.41 billion**

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

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

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

**Investor Protection – UGX 0.2 billion**

**Table 4xxvii indicated Unfunded Priorities for Vote 161; Uganda Freezones Authority;**

161	UGANDA FREE ZONES AUTHORITY	Policy-Oriented Research to generate quality Policy Briefs to advise government on policy, legal and other issues that affect the growth and development of Free Zones in Uganda in accordance with Section (13) (2)(b) of the Free Zones Act, 2014, the EAC Customs Management Act, the customs Union Protocol and Regulations thereto and the newly adopted Regional Special Economic Zones policy, 2022 for EAC.	300,000,000
		Marketing and publicity to create awareness of the existing opportunities in Free Zones among the domestic and international Developers and Operators to increase Uganda's exports	400,000,000
		Set up incubation centers for SMEs to increase their access to International markets by establishing formal links with Free Zones	500,000,000
		Completion of Entebbe International Airport Free Zone in FY2023/24	6,000,000,000
		Land Acquisition for the development of expansive multi model regional public Special Economic Zones	30,000,000,000
		Outward trade and business missions for marketing of business opportunities in Free Zones and create exposure for the domestic traders	400,000,000
		<b>TOTAL</b>	<b>37,600,000,000</b>

### 3.15 Vote 162 Uganda Microfinance Regulatory Authority

The proposed budget for FY 2023/24 amounts to UGX 9.606 billion down from UGX 15.14 billion approved for FY 2022/23. Accordingly, the Authority's budget has been reduced by 36.5% or a UGX. 5.5 billion cut. The expenditure category affected most by the budget suppression is domestic development which has witnessed a 90.8% cut as reflected in Table 4xxvii below;

162	Uganda Microfinance Regulatory Authority				
		2022-2023	2023-2024	Change	
Vote	Vote name	Approved	Estimates	%	Nominal
162	Wage	2.17	2.17	0.0%	0.00
162	NWR	7.52	6.94	-7.8%	-0.58
162	GoU Devt	5.45	0.50	-90.8%	-4.95
162	External Financing	0.00	0.00	0.0%	0.00
162	<b>Total</b>	<b>15.14</b>	<b>9.61</b>	<b>-36.5%</b>	<b>-5.53</b>

#### 3.15.1 Key Planned Activities

Inspection and Monitoring – UGX 2.6 billion

Policies, Regulations and Standards – UGX 0.719 billion

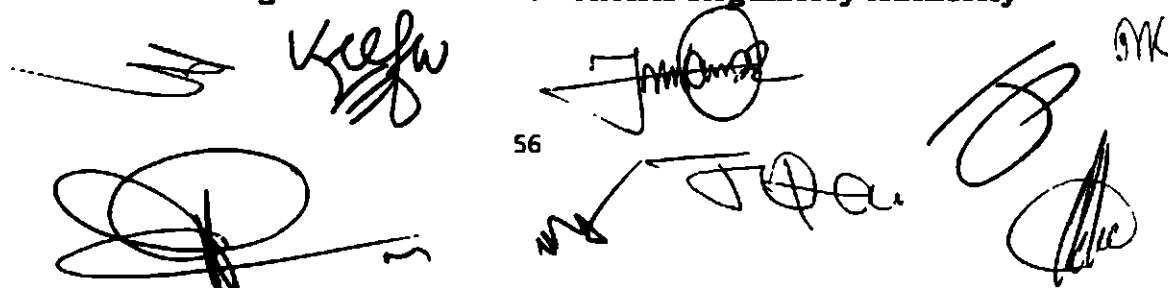
Licensing and Compliance – UGX 0.407 billion

Table 4(xxxviii)-Unfunded Priorities for Vote 162; UMRA

162	UGANDA MICROFINANCE REGULATORY AUTHORITY	Sensitization on UMRA's mandate to create public awareness and compliance. Strengthen UMRA capacity and supervising large SACCOs due to systemic risks and contagion effects they pose on the financial sector.	4,000,000,000
		Wages and Salaries (Recruitment of required additional staff)	2,300,000,000
		Utility and Property expenses(Expansion of Office space to cater for additional staff)	400,000,000
		Acquisition of produced Assets (Retooling and equipment with upgrading to robust information management system for Tier 4 sector)	2,000,000,000
		<b>TOTAL</b>	<b>8,700,000,000</b>

### 3.16 Vote 163 Uganda Retirement Benefits Regulatory Authority

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The proposed budget for FY 2023/24 amounts to UGX 13.63 billion and remains unchanged when compared to the approved budget for FY 2022/23 as reflected in **Table 4(xix)** below;

<b>163 Uganda Retirement Benefits Regulatory Authority</b>					
		<b>2022-2023</b>	<b>2023-2024</b>	<b>Change</b>	
<b>Vote</b>	<b>Vote name</b>	<b>Approved</b>	<b>Estimates</b>	<b>%</b>	<b>Nominal</b>
163	Wage	5.79	5.79	0.0	0.00
163	NWR	7.83	7.83	0.0	0.00
163	GoU Devt	0.00	0.00	0.0	0.00
163	External Financing	0.00	0.00	0.0	0.00
163	<b>Total</b>	<b>13.63</b>	<b>13.62</b>	<b>0.0</b>	<b>0.00</b>

### 3.16.1 Key Planned Activities

- i. Investment Management – UGX 1.8 billion
- ii. Conduct sector risk rating; Conduct and report on custodial and investment analysis; calibrate and operationalize risk-based supervision system and prepare risk-based management guidelines.
- iii. Communication and Public Relations – UGX 1.26 billion
- iv. Train 1,100 stakeholders and 30 business journalists on the retirement benefit sector; conduct 24 TV and 36 radio talk shows
- v. ICT Services – UGX 1.23 billion
- vi. Authority systems and software renewed and maintained; operationalize and integrate E-risk based supervision software.
- vii. Regulation and Advisory Services – UGX 0.824 billion
- viii. URBRA investment of scheme fund regulations reviewed and gazette; sector complaints investigated and resolved.

**Table 4(xxx) below** indicated the Unfunded Priorities for Vote 163; Uganda Retirement Benefits Authority

163	UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY	Extension of coverage to self-employed and informal sector workers	630,000,000
		Research to inform empirical decision making, policy and Sector Development	500,000,000
		Capacity Enhancement (Institutional and sector)	659,090,000
		Sustained specialized public awareness and education campaigns	300,800,000
		<b>TOTAL</b>	<b>2,089,890,000</b>

#### 4.0 Committee Observations and Recommendations

##### A. General Observations.

##### 4.1 Programmatic approach to planning and budgeting.

The Committee observes that whereas the National Development Plan III migrated from Sectoral to Program Based Budgeting, Parliamentary Analysis Vote Budgets remained under Sectoral Committees. This matter was referred to the Sectoral Committee on Legal and Parliamentary Affairs on 29<sup>th</sup> January, 2023 but no report has been brought to the House for consideration. In effect, the Committee being the lead Committee that covers the Development Plan Implementation Program did not interact with some agencies that contribute to the Program. Such agencies include Office of the President, Office of the Prime Minister, Ministry of Local Government, Ministry of Kampala and Metropolitan Affairs as well as Kampala Capital City Authority.

##### Recommendation.

*The Committee recommends that the Committee on Legal and Parliamentary Affairs expedites the task of advising Parliament on aligning Sectoral Committees as provided for under Rule 189 to accommodate Program Based Budgeting and processing of budgets for spending agencies of Government.*

##### 4.2 Ministerial Policy Statement Analysis.

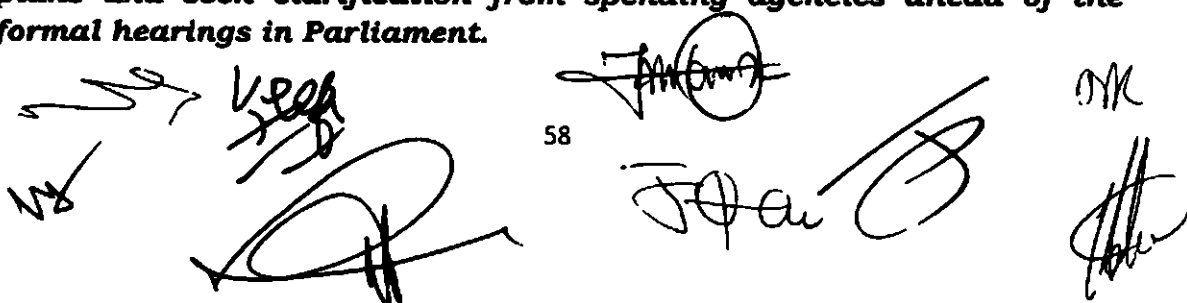
The Committee observes that the provisions of Sec. 13 (13), (14) and (15) are instructive on what Committees ought to consider during the processing of Ministerial Policy Statements. Given the short period given to the Committee to process 15 Ministerial Policy Statements almost at the same time initiate the processing of Tax Bills, it becomes hard for a thorough analysis of the Policy Statements.

Committee further observes that there is total silence on counterpart funding for loan projects presented in Ministerial Policy Statements. A further observation is made on lack of separation of donor and domestic development financing in the work plans produced off the Program Budgeting System (PBS).

##### Recommendations.

*The Committee recommends that in the next budgeting round, Votes should submit their draft Ministerial Policy Statements to the Office of the Clerk pending formal laying at a later date as provided for in the Public Finance Management Act. This would enable the Committees with many Votes to have reasonable time to go through the costed work plans and seek clarification from spending agencies ahead of the formal hearings in Parliament.*

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***The Committee further recommends that the PBS should expressly provide counterpart funding where there is need for one.***

#### **4.3 Economic Modeling Tools.**

The Committee observes that 3 different economic modeling tools exist; at Bank of Uganda, Ministry of Finance, Planning and Economic Development and at National Planning Authority. None of the 3 models has exclusively been used to guide policy as all policy proposals presented to the committee lacked quantitative analytical studies to back them up.

The Committee further observed that all the models available to the 3 agencies are silent on important national challenges like the effect of changes and levels of electricity tariffs, interest rates, transport costs and taxes on the economy.

#### **Recommendations.**

**The Committee recommends that the Minister responsible for Planning ensures that a single model is adopted as a National Planning Model tool whose outputs can be used to guide national policy.**

### **VOTE SPECIFIC OBSERVATIONS.**

#### **5.0 Vote 008: Ministry Of Finance, Planning and Economic Development**

##### **5.1 Macroeconomic and Tax Policy Studies.**

The Committee observes that in the FY 2023/24 budgeting cycle, Ministry of Finance Planning and Economic Development has laid before Parliament, fiscal documents not backed by any empirical studies to guide policy making. Specifically, all the tax proposals in the Tax Bills were not based on any single study to assess the effect on revenue collections as well as the economy.

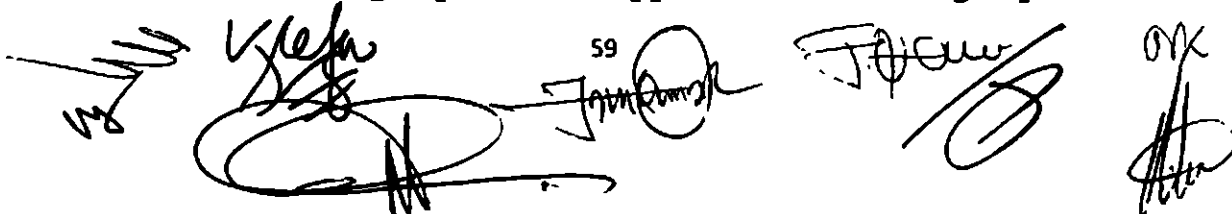
The Committee has established from the Ministerial Policy Statement of the Vote that the Macroeconomic Policy Department in the Ministry has an annual budget of Sh. 1.724 billion to support the Macroeconomic Model which never produces any estimates to guide tax policy.

The Committee also observes that the Ministry is not able to demonstrate any tax policy studies undertaken by the Tax Policy Department or any other department including the Macroeconomic Policy Department. This failure to undertake tax policy studies has fed into the Committee's inability to quantitatively guide the House of the effect of changes in tax policy on tax efforts and the economy.

#### **Recommendations.**

**The Committee recommends that the Minister ensures that the Macroeconomic Policy Department supports the Tax Policy Department**

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**to produce impact studies on all the current tax heads as well as proposed tax measures to be included in FY 2024/25 Tax Bills.**

**The Committee further recommends that the Macro modelling team is supported with all the necessary tools to produce studies on topical issues like the impact of capitalisation of Post Bank, Agricultural Credit Facility, Uganda Development Bank as well as other programs like Youth livelihood Program, Emyooga and PDM.**

## **5.2 Vote budget cuts**

The Committee observes that the Ministry's budget to support its departments was significantly cut on items like travel abroad, procurement of cars as well as allowances to staff. Accordingly, the committee was not able to undertake reallocation of funds within the Vote as this exercise had already been undertaken at Vote level.

The Committee further observes that the budget of the Ministry is largely composed of support to other agencies and programs of Government through subventions and the allocation to pillar 3 of the Parish Development Model.

The Committee also established that despite budget cuts to the Vote, there were no unfunded priorities reported in the Ministerial Policy Statement.

### **Recommendations.**

**The Committee recommends that that given the level of budget cuts on the budgets of departments in the Ministry, Parliament approves the proposed estimates as presented in the Budget Framework Paper for FY 2023/24.**

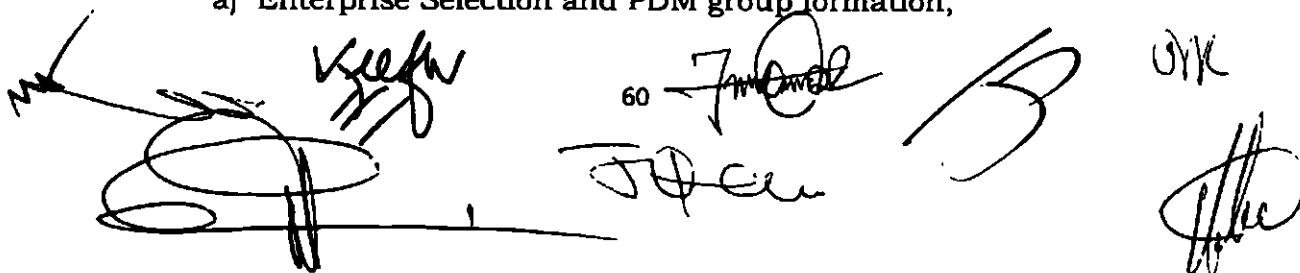
## **5.3 Parish Development Model**

The Parish Development Model (PDM) is a multi-sectoral (whole of Government) approach to accelerate wealth creation and improve the quality of life for all Ugandans.

Implementation of PDM is focused around 7 Pillars and it involves the following key activities: -

- 1) Continuous community mobilisation and sensitisation;
- 2) Development of the PDM Information System;
- 3) (Baseline) data collection on ALL households for the PDM Information System;
- 4) Establishment of the Parish Revolving Fund under Financial Inclusion
  - a) Enterprise Selection and PDM group formation;

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- b) PDM SACCO formation and registration;
- c) PDM SACCO capitalization;
- d) Strengthening the capacity of PDM SACCOs to sustainably utilise funds;
- 5) Delivery of all PDM services under the various Pillars; and
- 6) Monitoring and evaluation.

The Ministry of Finance, Planning and Economic Development is responsible for leading strategic planning; budgeting and coordinating the implementation of Pillar 3 (Financial Inclusion).

### 5.3.1 The Financial Inclusion Pillar

The overall objective of the Pillar is to "Sustainably increase access to and use of appropriate financial services by subsistence households"

The Pillar has six (6) components, namely:

- 1) Community Organization;
- 2) Business Development Services and Financial Literacy;
- 3) Financial Inclusion System under the PDM Information System;
- 4) Affordable Loans and Savings (Parish Revolving Fund);
- 5) Market Linkages; and
- 6) Agricultural Insurance.

Financial Inclusion is anchored on the principle that for finance to work for subsistence households, there must be an enterprise to be financed. This must be re-enforced by a business mind-set, proper enterprise valuation "Kibalo" and skills to undertake the chosen enterprises.

### 5.3.2 PDM Budget

#### 1) FY 2021/22 Budget

In Financial Year 2021/22, a total revised budget for PDM totalling UGX 234.3Bn was provided, of which, Ushs. 200Bn was the initially Approved Budget and UGX. 34.2Bn was supplementary funding. At the end of the financial year, UGX. 139.38Bn had been released as indicated in **Table 5** below, representing 60% budget performance.

S/	Item	Revised Budget	Cumulative Release	NOT Released
	<b>Section A</b>			
	<b>PDM Budget Appropriated under LG's FY 2021/22</b>			

1	Revolving Fund	125.39	62.69	62.60
2	Administrative Costs	10.50	10.50	
3	Gadget and Tools	17.83	11.89	5.94
4	Staff Costs	28.79	28.79	
	<b>Sub Total PDM Budget approved under Local Government</b>	<b>182.53</b>	<b>113.88</b>	<b>68.64</b>
	<b>Section B1</b>			
	PDM Budget Approved under Center Votes			
5	Ministry of Local Government	2.98	1.00	1.98
6	Ministry of ICT & NG	8.80	5.48	3.32
7	KCCA	1.70	1.70	
8	UBOS	4.00	4.00	
	<b>Sub Total for PDM Budget approved under Center Votes</b>	<b>17.48</b>	<b>12.18</b>	<b>5.30</b>
	<b>Total PDM Budget approved for FY2021/22 (A+B1)</b>	<b>200.00</b>	<b>126.06</b>	<b>73.94</b>
	<b>Section: B2</b>			
	<b>Section: B21</b>			
	<b>PDM Supplementary Budget for FY2021/22</b>			
9	Ministry of Gender, Labour and Social Development	3.00	3.00	
	<b>Sub Total - PDM Supplementary Budget to MGLSD</b>	<b>3.00</b>	<b>3.00</b>	
	<b>Section B2ii</b>			
10	Ministry of Local Government			
11	Funding National Rollout	10.32	10.32	

	Strategy for the PDM			
12	Top up funds for the Parish Revolving Fund	20 98		20 98
	<b>Sub Total PDM Supplementary to MoLG</b>	<b>31.30</b>	<b>10.32</b>	<b>20.98</b>
	<b>Sub Total for all PDM Supplementary Budgets FY 2021/22 (B2i+B2ii)</b>			
	<b>Total PDM Funding for Centre Government Votes (B1+B2)</b>	<b>51.78</b>	<b>25.50</b>	<b>26.28</b>
	<b>GRAND REVISED PDM BUDGET FOR FY2021/22 (A+B1+B2)</b>	<b>234.30</b>	<b>139.38</b>	<b>94.92</b>

The Committee observed that where as Cabinet approved UGX.17 million per Parish as revolving funds, translating to a budget requirement of UGX.180 billion, only UGX 148.07 billion was appropriated by Parliament in the budget. To cover the shortfall, Local Governments were directed to repurpose their PDM budgets under "Gadgets and Tools" amounting to Ushs. 17.83 billion to top-up the revolving funds to bring the total budget provision to Ushs. 165.9Bn for the Parish SACCOs.

Of the Ushs. 165.9Bn provided, only Ushs 76.28Bn was released to the local Governments, due to non-readiness of the Parish SACCOs. The Ministry could not release funds for SACCOs that had not yet been formed and members/beneficiaries that had not yet been identified.

At the end of the financial, out of the Ushs. 76.28Bn released for the revolving fund budget, Ushs. 67.208Bm was disbursed to the bank accounts of 7,855 PDM SACCOs by 151 Local Governments (see detailed disbursement record under Annex "A").

## 2) FY 2022/23 PDM Budget

The Approved Budget for PDM in FY 2022/23 amounts to Ushs. 1,142.05 trillion of which Ushs. 1,059.4 trillion is appropriated to the Ministry of Finance, Planning and Economic Development for the Revolving Funds. Ushs. 100 million has been provided for each of the 10,594 Parishes.

Ushs. 820.3Bn has so far been released, out of which Ushs. 244Bn has been disbursed directly to the bank accounts of 9,760 PDM SACCOs, as at 31st March, 2023 (see detailed disbursement record under Annex "B"). This translates to Ushs. 25 million per PDM SACCO. The disbursement of only one tranche so far was on account of non-readiness of the Parishes to utilize the disbursed funds, as per the criteria for initial access to funds adopted by Cabinet in August 2022.

The status has since improved and the Ministry has disbursed an additional Ushs. 244 billion to the already funded PDM SACCOs.

### **5.3.3 Achievements under the PDM Programme**

The Pillar 3 policy implementation framework was put in place last FY 2021/22. Specifically, the General PDM and Pillar 3-specific Guidelines were developed and issued; a PDM SACCO Bye-Law was developed and issued; and a PDM Trainers Guide was also developed and issued.

With respect to community mobilization and sensitization for PDM, 63 national Trainers of Trainers (ToTs) were identified and trained by the Ministry of Gender, Labour and Social Development, the ToTs in turn trained 885 officers from all the 177 Local Governments; mobilization and sensitization campaigns were led by members of Cabinet.

Under Pillar 6, a PDM Information System was developed; 27,354 data collectors (including Parish Chiefs, VHTs and LC1s) were trained and deployed; baseline data has so far been collected for the PDMIS, from 4,937,744 households with 17,632,581 people against an estimated total population of 48,931,000.

### **5.3.4 Utilization of disbursed funds**

In Cabinet adopted the following criteria for initial access to the funds on the account

1. First General Meeting to orient members - **Step 1**;
2. Special General Meeting to elect leaders and bank account signatories - **Step 2**;
3. Train PDM SACCO leaders on Governance and Loan Management - **Step 3**; and
4. Train beneficiary households on selected enterprises and accessing PRF loans - **Step 4**.

As at 31st March 2023, **9,670 PDM SACCOs** had completed step 1; **8,850 PDM SACCOs** had completed step 2; **8,308 PDM SACCOs** had completed step 3 while **6,345 PDM SACCOs** had completed step 4. **9,167** beneficiary households in 283 PDM SACCOs countrywide have so far accessed PRF loans totaling Ushs. 5.943Bn.

In conclusion, there is need for continuous community mobilization and sensitization on the PDM and the revolving funds that are being provided by Government. More resources are required to strengthen the capacity of the newly established PDM enterprise groups and SACCOs in financial

management and Business Development Services to ensure that the funds provided are put to good use by the beneficiaries.

Additionally, more resources are required to ensure effective monitoring and evaluation of PDM implementation particularly by the Production and Commercial Servicesa Department at the Local Government Level.

#### **Recommendations**

- i. **The Ministry of Finance, Planning and Economic Development continues to engage the responsible Local Governments to ensure that the errors of omission and commission around the still unfunded PDM SACCOs are addressed.**
- ii. **The Ministry of Finance, Planning and Economic Development should immediately disburse atleast UGX 50 million to each of the 9,760 SACCOs that have passed the requirements for disbursements. This would bring the total amonut of money released to each of the SACCOs to UGX 75 million for the period up to 3rd quarter for FY 2022/23.**

#### **5.4 Financing of Uganda Development Bank (UDB)**

UDB has for the past years since the outbreak of Covid- 19 in 2020, has been facilitating businesses for improved livelihoods and heavy support towards the economic recovery and resilience. In 2022, UDB registered a 52% gross loan portfolio growth from Sh851 Billion in December 2021 to Shs1,298 Billion in December 2022.

The Bank's total assets currently stand at UGX1.44 Trillion, growing by 19% from UGX1.21 Trillion at the start of 2022. This growth is on account of growth in funding, mainly through capital allocations from Government and draw down of lines of credit from various other funding Partners.

Additionally, this performance is anchored on the Bank's deliberate efforts towards the revitalization and transformation of Uganda's economy.

##### **a) Approvals**

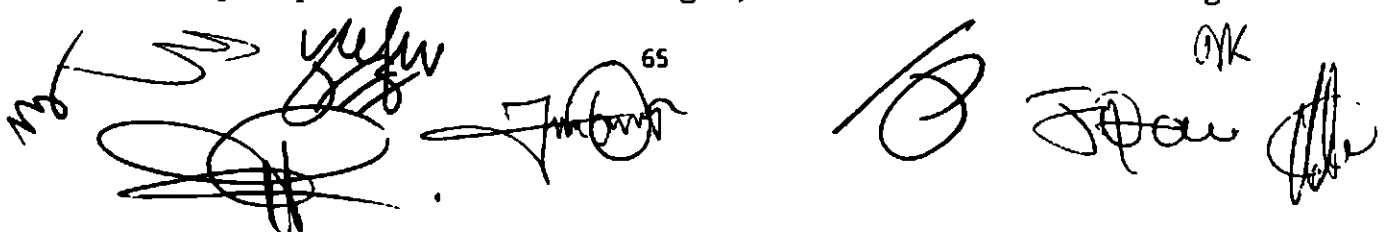
The value of new loan applications approved to receive funding grew by 40% against the 2021 performance registering a total of Shs894 Billion from the Shs635 Billion registered in 2021. The Industry sector (comprising of manufacturing and agro industry) received the highest number of approvals worth Shs454.75 Billion with primary agriculture receiving Shs96.75 billion.

##### **b) Disbursements**

The Bank disbursed a total of Shs776.6 billion during the year 2022, improving by 81% from Shs428 billion disbursed the previous year 2021. Of this sum, 76% was disbursed to projects engaged in agriculture, agro-processing and manufacturing.

##### **c) Serving underserved sectors of the economy**

In 2022, the Bank launched the Special Programs intervention which has effectively implemented several strategies, with a focus on channeling



interventions to promote small and medium-sized firms (SMEs), as well as businesses run by women and youth within the Bank's supported sectors.

After a year of implementation, the Bank approved over UGX31.5 billion, with 128 enterprises (including 42 women-owned) benefitting from this program under this program. To further support these businesses, the Bank further launched the Business Accelerator for Successful Entrepreneurship (BASE) aimed at preparing entrepreneurs for financing through enhanced business practices.

In 2022, 08 regional training sessions targeting 1,130 SMEs were conducted in Kampala, Mbarara, Fort Portal, Lira, Gulu, Arua, Masaka, and Male districts. As a result of these sessions, the Bank identified funding prospects amounting to Shs147.3 billion.

Additionally, 77 hitherto informal enterprises undertook various business formalization processes - with 45 registering their business names and 37 others formally registering as new taxpayers or for tax certification.

The Bank then earmarked 274 enterprises to participate in the inaugural UDB Business Incubation Program. The aim is to facilitate the incubates to be credit-ready, and potentially prospective customers of UDB.

#### **Recommendation**

**The Committee recommends that Uganda Development Bank be capitalised with additional resources to serve more Ugandan entrepreneurs.**

#### **5.5 Accumulated gold export tax arrears**

The Committee observed that the Mining Act, 2021 imposed Export Levy for processed Gold at a rate of 5% of the Value of the Exported Gold. For the Period 1st July 2021 to 3rd March 2023, the total Value of Exported Gold was UGX 12,491,631,016,342.20 resulting to Tax arrears at 5% of UGX 616,587,448,277.93/= (Six hundred sixteen billion five hundred eighty seven million four hundred forty-eight thousand two hundred seventy-seven Ninety-three cents). The summary by the exporter is as per table 1 below

**Table 6: Summary of Value of Exported Gold by Company and Tax Arrears at 5% for the period 1st July 2021 to 3rd March 2023**

S/N	COMPANY	VALUE OF EXPORTED GOLD IN UGX	TAX AMOUNT AT 5% OF VALUE IN UGX
1	FARU	15,103,840,666.68	755,192,033.33
2	SIMBA	812,464,120,137.67	35,734,396,775.62
3	BULLION	4,373,120,137.67	215.562.021.181.52
4	METAL TESTING	3,222,892,117,176.93	164,131,001,834.57
5	AGR	577,870,111,822.00	24,767,960,124.53
6	THABA	1,950,689,148,861.76	99,198,241,620.90

7	AURNISH	1,539,286,360,050.32	76,438,634,707.45
	<b>TOTAL</b>	<b>0</b>	<b>616,587,448,277.93</b>

**Note:** The Tax arrears is computed at Prevailing Export Exchange Rate of the Month Exportation was done

### 5.5.1 Tax Arrears According to the Mining and Minerals Act, 2022

In the year 2022, The Mining and Minerals Act 2022 was enacted that repealed the Mining Act 2021 which also provided for Export levy on Gold Exports under section 287 (2) (s) and also gave powers to the Minister of Energy and Minerals development to issue statutory instruments gazzating the applicable rate for Gold Export levy.

On 1st of March 2023, the Minister of Energy and Mineral Development published in a gazette, Statutory Instrument imposing Export levy on Processed Gold Exported out of Uganda at rate of USD 200\$ per Kilogram.

According to the Mining and Minerals Act 2022, the Export Levy is Imposed on the Quantity (kilogram) of processed and Exported Gold to be applied retrospectively with effective date being 1st July 2021.

Accordingly, for the period 1st July 2021 to 3th March 2023, the total Quantity of Processed Gold Exported was 59,943.94 Kgs and the Tax Arrears amounted of UGX 43,421, 166,653.94. Out of which UGX 428,703,624 has been paid and the balance being UGX 42,992,463,029.94 / = The summary by Company and the status of payment is as per **Table 7** below;

S/ N	EXPORTER	VOLUME (KGS) EXPORT ED	OUTSTANDIN G TAX ARREATS	TAX AMOUNT PAID SO FAR	BALANCE ON ARREARS
1	AURNISH TRADING	7,213.78	5,321,003,298.42	00	5,321,003,298.42
2	BULLION REFINERY	20,707.50	15,855,862,639.76	00	15,015,427,289.97
3	METAL TESTING AND SMELTING COMPANY	16,408.08	11,855,862,639.76	00	11,855,862,639.76
4	SIMBA GOLD REFINERY	3,685.96	2,633,131,908.30	428,703,624	2,204,428,284.30
5	THABA INVESTME	9,338.00	6,834,984,034.00	00	6,834,984,034.00

	NTS LIMITED				
6	FARU TRADING UGANDA LIMITED	70.31	52,460,839.00	00	52,460,839.00
7	AFRICA GOLD REFINERY	2,421.32	1,708,296,643.60	00	1,708,296,643.60
	<b>TOTAL</b>				

**Note:** The Tax arrears is computed at Prevailing Export Exchange Rate of the Month Exportation was done

### 5.5.2 Revenue Collection since gazzement of export levy at rate of USD200/KG

Since the gazettment of the Statutory instrument on 1st March 2023, a total of 3,308.48 KGs of processed gold has been exported and declared and Total of UGX 2,424,953,592/= has been Collected as revenue.

A summary of Gold Export Levy payment by Company as at 2nd April 2023 is as per **Table 8** below.

**Table 8; Summary of Revenue Collections from Gold Exports from 4th March to 2nd April 2023**

COMPANY	VOLUME (KGS)	TAX AMOUNT PAID
AURNISH TRADING	402.62	295,101,440
BULLION REFINERY	1,416.38	1,038,135,875
METAL TESTING	600.99	440,496,514
SIMBA GOLD REFINERY	189.29	138,741,217
THABA	699.20	512,478,546
<b>TOTAL</b>	<b>3,308.48</b>	<b>2,424,953,592</b>

### 5.5.3 Projected Revenue Collections From Gold Mining For Fy2023/24

Considering the average volume of gold exported in FY 2021/22 which was 33,561.55kg and average annual growth in gold exports of 9% in the same year, it is expected that the export volumes for FY 2023/24 will increase to 36,582.1Kg which is expected to raise UGX. 27,356,086,902 as export levy calculated at \$200/kg which an average exchange rate of 1\$ equivalent to 3,739.42/=.

The Committee observes that whereas the Mining (Amendment) Act, 2021 created a tax that was deemed unaffordable to exporters, the tax arrears on

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exports made between 1st July, 2021 and 3rd March, 2023 amounted to UGX 616 billion.

The Committee further noted with concern that the Minister responsible for Minerals by Statutory Instrument gazetted on 3rd March as produced for under the Mining and Minerals Act, 2022, a significantly low tax of US\$ 200 per kilogram instead of 5% of the value of each processed kilogram of gold exported. The effect of this statutory gazette is that the tax arrears due for collection by URA reduced from UGX 43 billion leading to UGX 573 billion.

### **Recommendation**

**The Committee recommends that;**

- i. the relevant Committee to inquire into the circumstances that led to the write off accumulated revenue of UGX 573 billion and the implications on the current legal provisions on the resource mobilisation potential for the country;**
- ii. Uganda Revenue Authority should undertake to collect all tax arrears due from the export of gold following the enactment of the Mining and Minerals Act 2022.**

## **6.0 VOTE 130; TREASURY OPERATIONS (TOP)**

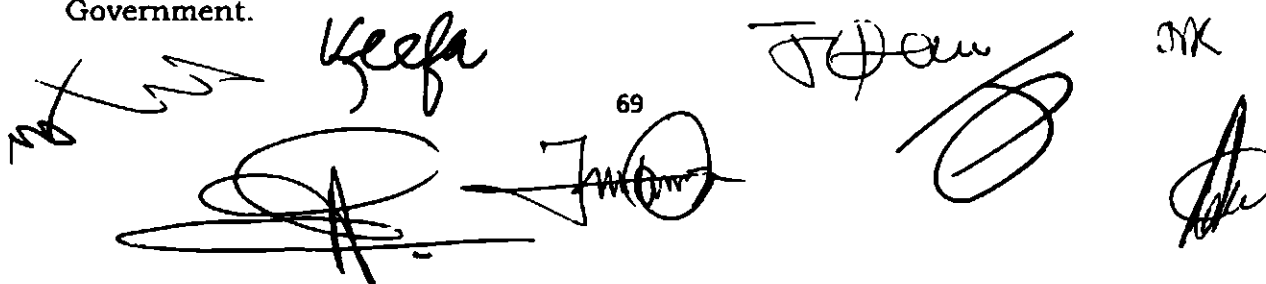
### **6.1 Un-Budgeted Statutory Obligations – Ushs 877Bn**

The National Budget estimates laid at table provided for a budget for Vote 130, equivalent to Ushs18.847Trn of which Ushs 6.013Trn is interest costs on debt, and to Ushs 12.733Trn is other costs including external debt, principal, domestic debt roll over, contingencies fund, BOU debt reimbursement and BOU capitalisation.

The Contingencies Fund, under Section 26 of the Public Finance Management Act, 2005, is supposed to be budgeted for at a level of at least 0.5% of the total budget of the previous year (or Ushs240Bn) in the case of FY 2023/24. The Committee has observed that only Ushs177Bn instead of Ushs 240Bn, thereby creating a statutory deficit of Ushs63Bn.

The Committee also observes that the estimates lacked a provision of Ushs 227.56Bn for international Specialised Hospital in Lubowa. There was also no provision of Ushs 54.9Bn for Roko shares.

The Committee further observes that the budget estimates did not provide for Ushs150.69Bn to cover the services that Bank of Uganda provides to Government.

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In addition to the above statutory obligations, the draft estimates provided zero shillings for court awards of which Ushs240Bn, and Ushs133Bn for other court awards.

Rt. Hon Speaker, the total un budget for statutory obligations under Vote 130 are equivalent to Ushs877Bn, of which Ushs63Bn is for the contingencies fund.

#### **Recommendation**

**The Committee recommends that Parliament together with the Executive identify Ushs877Bn be reallocated within the entire budget, as the costs are statutory and therefore unavoidable, but to be paid on the dates when they fall due.**

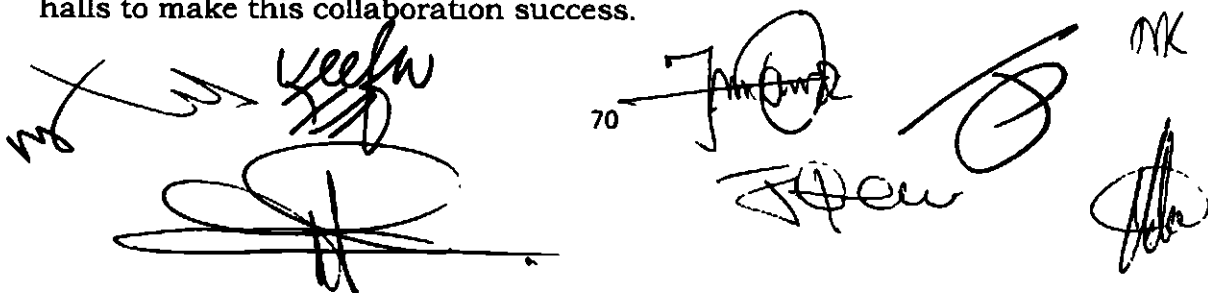
### **7.0 NATIONAL PLANNING AUTHORITY (NPA)**

#### **7.1 Construction of Planning House in the first year of FY 2022/23 - Ushs 30Bn**

The Committee observed that the Authority has grown in business and size over the years and the present office space cannot adequately cater for the present staff establishment. The Planning House was designed to accommodate only 50 Staff. This falls short below both the current 181 staff structure and the proposed 314 staff establishment required to effectively and efficiently implement NDPIII the wide mandate of NPA, and the need to address sensitive government assignments which require immediate action. This has been disruptive and exposes NPA operations to numerous security and safety risks. NPA handles a number of sensitive governments assignments and interacts with the entire central and local government thus requires a large space to effectively undertake its mandate.

NPA being the think tank of the country regularly receives directives from the Fountain of Honor, Cabinet and Ministry of Finance Planning and Economic Development which are highly confidential to be handled in the hotels. But because of inadequate office space the Authority is prompted to hire hotels on a short notice and most times without funds to facilitate such engagements which creates arrears for the Authority.

On an annual basis, NPA spends at least a billion UGX on hotel hire which amount could be saved with the construction of NPA house. Further, NPA is mandated to build capacity of both local and central government planners and the exercise is often carried out in hotels that are far away from the Authority thus affecting the day-to-day operations of the authority. Additionally, in collaboration with Higher institutions of learning the authority runs graduate training Programme in the spirit of building large pool of development planners which requires both office space and conference halls to make this collaboration success.

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With government proposal to rationalize and merge government agencies, NPA will subsume other institutions which process cannot be supported with the existing office space. Additionally, NPA being the secretariat for African Peer Review Mechanism (APRM), the current office space cannot house the structure of APRM secretariat. The demand for NPA development planning services within government and the private sector has increased but is constrained by the limited space and tools at the Planning House.

In addition, the current planning House is not gender and equity sensitive since it does not have access provisions for People with Disabilities (PWDs). This therefore necessitates the construction and equipping the Planning House.

### **Recommendation**

**The Committee therefore recommends that an additional Ushs 30Bn is allocated to NPA for the construction of the Planning House.**

### **7.2 Support to African Peer Review Mechanism Activities – Ushs 5.8Bn.**

Under this output, NPA will focus on supporting Uganda to fulfill her statutory obligations towards the African Peer Review Mechanism (APRM).

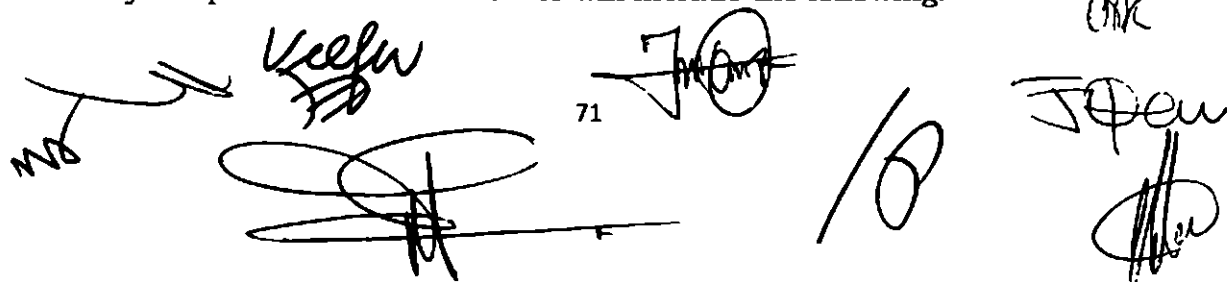
The APRM is one of the Organs of African Union set out as a Voluntary Platform of Member States established in 2003 in the framework of the implementation of the New Partnership for Africa's Development (NEPAD).

The APRM is an instrument for self- and peer-assessment and review of policies and practices among Member States with a view to fostering good governance on the Continent. The APRM is designed on the premises of Members Reviewing their own performance - Country Self-Assessment; followed by evaluation by an Independent Panel - Country Review.

The reviews are governed by mutually agreed upon standards and parameters. The Head of APRM in each Country is the Head of State (President for the case of Uganda). He is assisted by an APRM Focal Point - in Uganda the State Minister for Finance, Planning and Economic Development (Planning) who oversees operations of APRM.

In Uganda, ARM is under the leadership the National Governing Council (NGC) which is mandated to provide guidance and direction to the Uganda APRM process, including awareness and sensitization of the Ugandan public and NPA is the National Secretariat. Each Country has a Secretariat for APRM; in Uganda this is situated within the administrative set- up of National Planning Authority (NPA). The APRM is structured under 04 thematic areas of; Democracy and Political Governance; Economic Governance and Management; Corporate Governance; and Socio-Economic Development.

The Key Outputs for APRM to deliver will include the following:

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- a) Participation of H.E President in Statutory Annual Meetings of APRM; notably, the APR Summit of Heads of State and Government.
- b) Participation of APRM Focal Point/ State Minister for Finance, Planning and Economic Development in Annual Statutory Meetings of ARM. Focal Points.
- c) Periodic review of the APRM National Programme of Action.
- d) Host the Africa Migration Conference.
- e) Develop annual reports on the implementation of APRM National Programme of Action which H.E President presents to the Annual APR Summit of Heads and Governments
- f) To prepare periodic APRM Country Self-Assessment Reports for Uganda
- g) To support the process of preparing APRM Country Review Reports
- h) To support outputs of Continental APRM Secretariat including payment of annual subscriptions
- i) Facilitation and emoluments of ARM National Governing Council and Staff of the Secretariat
- j) Integration of APRM National Programme of Action into the National Development Planning process
- k) Provide leadership, guidance and direction to the ARM process in Uganda; including awareness and sensitization of the Ugandan public;
- l) To ensure the integrity of the Uganda Peer Review process keeping it transparent, inclusive, and accountable to the citizens of Uganda;

It is thus critical to resource the Secretariat to enable it to support this continental program.

### **Recommendation**

**The Committee recommends that an additional Ushs5.8Bn be allocated to NPA for the support of critical African Peer Review Mechanism's activities.**

### **7.3 FINANCIAL INTELLIGENCE AUTHORITY (FIA)**

#### **7.4 Conducting financial due diligence - Ushs2Bn**

The Committee observed that the Authority conducts Financial Due Diligence (FDD) on companies that wish to partner with the Government of Uganda on development projects. The project has thus no control on how many requests MDA's must submit to it. The recent trend indicates an increase in FDD requests submitted to FIA. Conducting FDD is very costly and therefore needs sufficient budget to avoid accumulation of backlog.

### **Recommendation**

**The Committee recommends that an additional Ushs 2Bn be allocated to FIA for the conducting of Financial Due Diligence.**

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### **7.5 Operational shortfall as a result of staff recruitment- Ushs1Bn**

The Committee observed that in the FY2022/23, Government allocated additional funding to FIA to recruit additional staff in the approved staff structure. This was as a result of insufficient staff in critical areas to effectively implement its Mandate.

However, these funds were provided during the budget approval process by the Parliament of Uganda and hence did not provide for corresponding costs that come with the recruitment. This created an operational shortfall that needs to be covered in the FY 2023/24.

#### **Recommendation**

**The Committee recommends that an additional Ushs1Bn be provided to the FIA to cover the operations incurred during the recruitment process undertaken in FY 2022/23.**

### **8. Travel abroad – Ushs 0.5Bn**

The Committee observed that there are critical commitments FIA undertakes that require travel abroad that include attending ~~ES/AMU~~ meetings to justify and elaborate on progress reports Uganda submits on addressing the deficiencies relating to 9 recommendations where Uganda is rated partially compliant and 7 recommendations where Uganda is rated non-Compliant. Restrictions have been put on travel abroad.

#### **Recommendation**

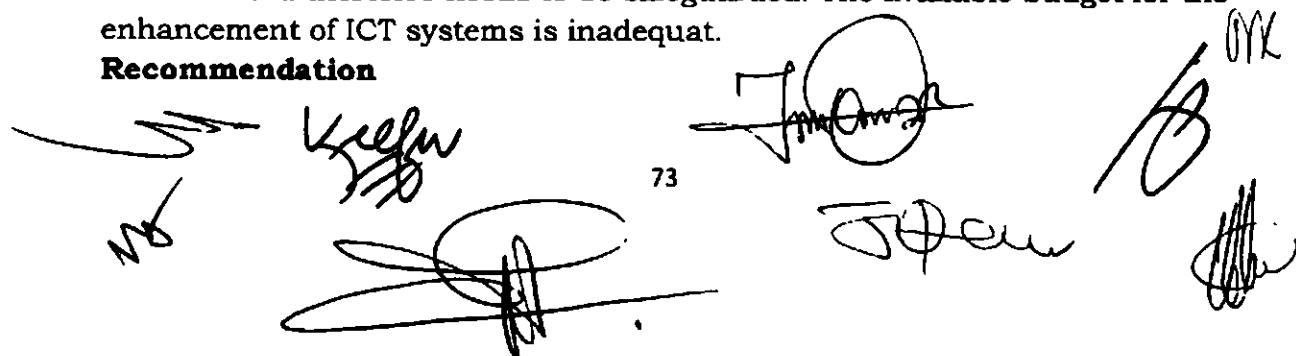
**The Committee recommends that restrictions on travel abroad should have regard for FIA's specific circumstances and an additional Ushs0.5Bn be allocated to FIA for travel abroad.**

### **9. ICT Equipment – UShs1.5Bn**

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

The Committee further observed that there have been attempted security breaches on FIA's ICT infrastructure due to the nature of operations the Authority handles. ICT plays a central role in the effective execution of the FIA mandate and therefore needs to be safeguarded. The available budget for the enhancement of ICT systems is inadequate.

#### **Recommendation**

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**The Committee recommends that UShs 1.5 billion is allocated to FIA for the enhancement of its IT systems for FY 2023/24.**

**10. Enhancing retooling budget – UShs4.5Bn**

The Committee observed that FIA has a retooling project with a project value of UShs18Bn. However since approval of the project, only less than UShs1Bn has been provided in the budget over a 3 year period. This has led to a majority of tools of work becoming obsolete.

**Recommendation**

**The Committee recommends that an additional UShs4.5Bn be allocated to FIA for its retooling project.**

**11. Wage Shortfall – UShs1Bn**

The Committee observed that the FIA Board approved a salary enhancement of lower level officers that was expected to be implemented in the FY 2023/24. This requires an additional UShs1Bn for its implementation.

**Recommendation**

**The Committee recommends that additional UShs1Bn is allocated to FIA to enhance salaries of lower level officers.**

**6.0 OFFICE OF THE AUDITOR GENERAL**

**6.1 Capacity Building – UGX 1.823Bn:**

In view of the ever increasing demand for quality audits and the recently established support function the Office of the Auditor General needs to respond by training staff in emerging specialised audit areas and other key technical skills. The Office plans to build staff capacity in various specialized areas of audit such as Big data analysis techniques, Public Private Partnerships, Oil and Gas, International Taxation, Domestic Revenue Mobilisation, Forensic Investigations, IT systems audit, Impact evaluations and Illicit financial flows. These are high impact/interest areas therefore the Office requires adequate capacity to undertake these audits and make a positive contribution to National priorities focused on these areas. In addition, the Office has prioritized skills enhancement under the support functions to facilitate overall organizational efficiency and effectiveness. To this effect UShs 1.822Bn is required to undertake this.

**Recommendation**

**The Committee recommends that UShs 1.822Bn be allocated to the Office of the Auditor General to undertake capacity building for the staff.**

**6.2 Expanding range and scope of audits (including Local government audits, parish development model, Value for money audits, Forensic and Specialized Audits) - UShs 19.61Bn**

The Auditor General is required by law, to audit and report on all public accounts of Uganda and of all public offices. However, due to inadequate funding the Office is unable to cover its entire audit population especially the ever increasing Local Governments and schools resulting in accumulation of backlogs.

In addition, the Office is expected to provide assurance on implementation of the Parish Development Model (PDM) which was instituted by the NDP III.

The Office is also subject to amplified demand for VFM audits, specialized audits and forensic investigations whose requests come to the office without corresponding funding.

To this effect the Office of the Auditor General needs **UShs 19.61Bn** according to the estimated unit costs of audit to enable the Office undertake the audits as required by law in addition to those that meet the stakeholder demands. This is in line with the Integrated Audit Approach, the OAG Strategic priorities on undertaking high impact audits and alignment of our audit work to SDGs.

These proposed additional funds shall be utilised in the audit of the following:

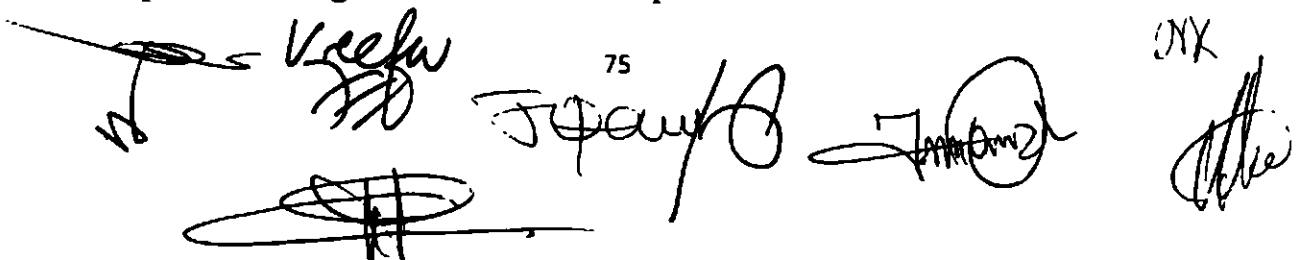
- i. Audit of the funds allocated to operationalization of the Parish Development Model to be implemented in 10,497 Parishes;
- ii. 20 VFM Audits;

**Recommendation**

**The Committee recommends that an additional UShs 19.61Bn be allocated to the Office of the Auditor General for the expanding scope of audit, in light of the Parish Development Model, VFM audits, Forensic audits, 20 Forensic Investigations, 3 Infrastructure Audits, 1662 Lower local governments, 375 schools, 1 PPP project Audit.**

**6.3 Procurement of field vehicles to replace ageing fleet - Ushs 7Bn**

The Committee observed that transport equipment is a critical input into the Audit process owing to the fact that the operations of the Office of the Auditor

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General are largely field based. This implies that the Office requires a significant boost to its stock of transport equipment.

The current fleet of 81 motor vehicles the Office has to carry out its extensive mandate is inadequate and therefore overused. The overall Government focus on improving service delivery as indicated in the NDP III requires the audits done by the Office to cover all parts of the country.

50 of the 81 vehicles (62%) are due for replacement while an additional 20 are due for replacement in the next 2 years. This poses a significant risk to the overall transportation system and is likely to significantly jeopardize the operations of the Office.

The general condition of the fleet has led to increasing vehicle maintenance costs. Several of the vehicles which are in dangerous mechanical condition break down regularly during the intense six month auditing period. This ultimately disrupts field activities, puts staff at risk of being involved in accidents and hinders achievement of planned audit deliverables.

In addition to the aging fleet, the total number of 81 vehicles is insufficient in light of the ever increasing audit scope coupled with the increasing staff numbers. There is therefore need for the OAG to increase its fleet to meet the expanded audit scope to at least 145 vehicles in phased manner, over the medium term.

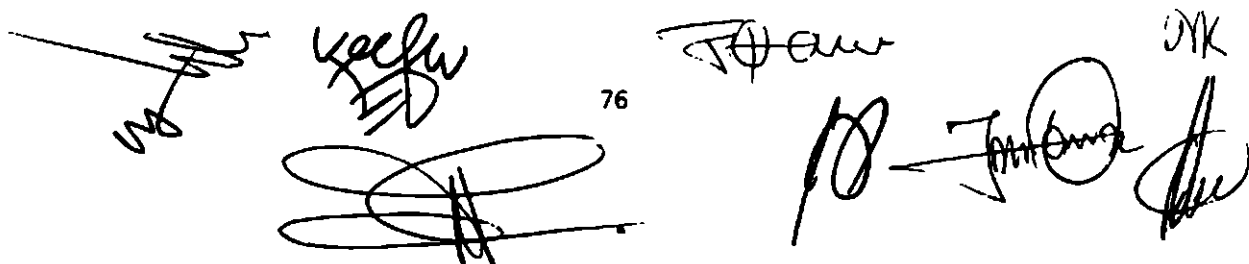
Therefore the Office seeks UGX 7Bn in FY 2023/24 to acquire 28 field vehicles as per the phased approach in the strategy to enhance the OAG fleet. This will enable the office cope with the widening audit coverage across the country.

### **Recommendation**

**The Committee recommends that Ushs7Bn be allocated to the Office of the Auditor General for the procurement of vehicles to replace the ageing fleet.**

### **6.4 Audit of Missions abroad – Ushs 2,500,000,000**

Following the freeze on Travel Abroad due to COVID 19, the Office had been unable to direct resources towards the audit of 36 missions abroad as planned resulting in accumulation of audit backlogs for Financial Years 2019/20 and 2020/21. With the support of Ministry of Finance and Parliament, the office was provided UGX 2.8Bn to clear these backlogs and bring the audit of missions up to date. However due to the increasing scope associated with the Audit of Missions abroad, additional resources are required to comprehensively provide assurance to the public on funds allocated to the

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missions abroad., To this effect, the Office requires further resourcing to the tune of UGX 1.5Bn to utilize in the audit of missions abroad, moving forward.

#### **Recommendation**

**The Committee recommends that Ushs 1.5Bn be allocated to Office of the Auditor General for the audit of missions abroad.**

#### **6.5 Stakeholder Engagement and International Obligations – UGX 0.92Bn**

The Committee observed that in line with the OAG Communication and Stakeholder engagement strategy, the Office needs to engage key stakeholders in regard to its work. These stakeholders include the Parliament, the executive, development partners, collaborating agencies, civil society, media and other SAIs. This will enhance uptake of audit results, increase awareness on aspects of public accountability, facilitate fostering of productive partnerships and boost citizen participation in management of public resources.

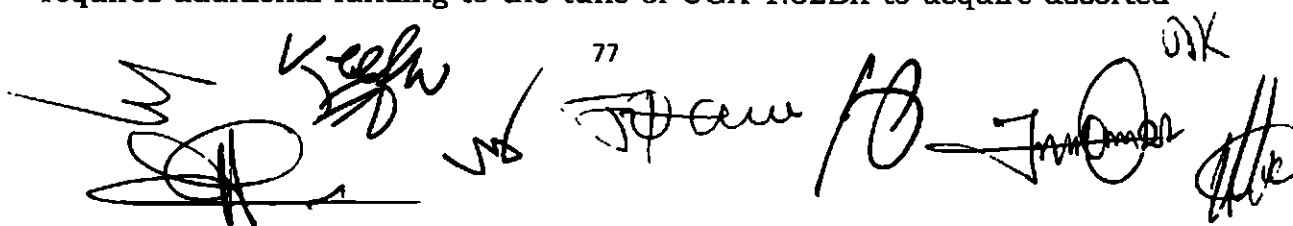
In addition, the Office harbors international responsibilities as a member of INTOSAI. Specifically, SAI Uganda was assigned by the INTOSAI Community to chair the INTOSAI WGEI since 2013 and the term of SAI – Uganda as Chair of WGEI was extended to 2022. To meet these additional responsibilities, the Office requires additional funding to build capacity in EI audits, facilitate participation in international engagements on extractives, operationalize the secretariat and conduct collaborative audits with other SAIs. To effectively undertake the above mentioned stakeholder engagement activities and participate in the International arena, the Office requires an additional UGX 0.92Bn

#### **Recommendation**

**The Committee recommends that an additional Ushs 0.92Bn be allocated to the Office of the Auditor General for stakeholder engagement and payments arising from international obligations.**

#### **6.6 Upgrading ICT Infrastructure – Ushs 1,320,000,000**

The Committee observed that ICT is a critical business enabler of OAG operations. The Office uses “TeamMate audit solution” to manage its audits and the Office is currently in the process of establishing an Integrated Information Management System on which all business processes will be hosted. To equip the Office with the requisite ICT resources, the Office requires additional funding to the tune of UGX 1.32Bn to acquire assorted

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ICT hardware and software including server equipment, laptops, 2 Heavy duty Scanners and security licenses.

#### **6.7 Development of an in - house Audit Management System (AMS) - UGX 5.4Bn**

The Committee observed that currently, the Office of the Auditor General uses "TeamMate Audit Software" for automation and management of its audit activities. However, owing to the annual recurrent costs associated with annual licensing fees in addition to the increasing staff numbers, this has become unsustainable over the long run.

Accordingly, the Office has conceptualized the in - house development of an Audit Management system which will enhance efficiency of audits. In addition, the system will be customized and tailored to the current needs of the users, therefore promoting effective utilization and quality of audits. This project is to be implemented over 1 and a half years and the estimated funding requirement for all associated project costs as well as change management activities is UGX 5.4Bn.

#### **Recommendation**

**The Committee recommends that an additional Ushs 5.4Bn be allocated to the Office of the Auditor General for the development of an in-house audit management system.**

#### **6.8 Acquisition of additional land for construction of the Centre of Audit Excellence - UGX 1.8Bn**

The Committee observed that OAG has set plans in motion, to construct a state of the art off - site facility to be named the Centre of Audit Excellence. This facility shall accommodate Engineering and Forensic Laboratories, a Modern Training Centre, Kampala Branch Office (responsible for Central Region audits) and storage facilities. This project was initially identified as a priority undertaking under the Accountability sector and was subsequently adopted by the Development Plan Implementation Programme for implementation during the NDP III period with an overall estimated cost is UGX 28.8Bn. As per the project plan, the office requires 8 acres of land for this project, of which 5 were acquired in FY 2019/20. Therefore, an additional UGX 1.8Bn is required in FY 2023/24 for acquisition of the remaining acres.

#### **Recommendation**

*[Handwritten signatures and initials are present below the recommendation section, including "Keefu", "J. M. B.", "J. H. C.", "J. H. C.", "J. H. C.", and "J. H. C."]*

**The Committee recommends that an additional Ushs 1.8Bn be allocated to the Office of the Auditor General for the acquisition of additional land for the construction of the Centre of Audit Excellence.**

**6.9 OAG Impact Assessment and Perception Survey - Ushs 1,203,000,000**

The Committee observed that pursuant to the OAG's Vision of adding Value to Society, the OAG aims to ascertain the impact and long term outcomes of its work. This requires annual impact assessments to be undertaken which shall enable the Office demonstrate its benefit to the public. In addition, the Office has planned to undertake biennial perception surveys as per the OAG Strategic Plan 2020 - 2025. This will enable the Office establish the stakeholder perception about the work done by the Office while collecting valuable feedback for improvement towards meeting our stakeholder expectations. Both of these activities will require the technical assistance through consultancy services and the estimated cost is UGX 1.2Bn.

**Recommendation**

**The Committee recommends that an additional Ushs 1,202,000,000 be allocated to the Office of the Auditor General to enable it undertake impact assessment and perception surveys.**

**6.10 Acquisition of tools to undertake Specialized Audits - Ushs 2,700,000,000**

Owing to the increasing demand for public works audits and forensic investigations, the Committee observes that the OAG seeks to acquire specialized equipment to enable it undertake these audits. This will support the Office's efforts to conduct real time audits, establish an Engineering laboratory and enhance the already existing forensic laboratory. To effectively establish these, UGX 2.7Bn is required.

**Recommendation**

**The Committee recommends that an additional Ushs 2,700,000,000 be allocated to the Office of the Auditor General to enable it undertake specialised audits.**

**7.0 UGANDA INVESTMENT AUTHORITY**

**7.1 Development of Industrial and Business Parks - Ushs 251.53Bn**

The Committee observed that UIA intends to setup border makers, and to secure and fence industrial parks across the country to implement the Regional Industrial Parks Development Programme. The purpose of the programme is to meet the targets of the Regional Industrial Parks Strategy. Currently UIA is in control of close to industrial park land for agricultural and industrial setup across different regions. This will require **Ushs 6Bn**

UIA seeks an additional **Ushs 245Bn** for the development of Infrastructure at Liao Shen Industrial Park, Kapeeka and Mbale Industrial Parks. This will help in the development of reliable infrastructure to aid Manufacturing within the planned growth corridors (triangle), ease movement of factors of production, and facilitate trade by connecting production centres, households and communities to markets. Cabinet approved the cost estimates that National Enterprise Corporation submitted for infrastructure Development of Tangshan Mbale Industrial Park and Liao Shen Industrial Park, Kapeeka, amounting to UGX 419.8 Bn and 256.7 Bn respectively.

#### **Recommendation**

**The Committee recommends that Ushs 251.53Bn be allocated to UIA for the development of Industrial and Business Parks.**

#### **7.2 Setup of Regional One Stop Centres & Implementation of automated eBiz services – Ushs4Bn**

The Committee observed that UIA is currently implementing the Setup of regional One stop Centres in Uganda in line with the presidential directive to establish an OSC within every region where an industrial park is located. Property for the Eastern region was secured with another property in Arua being pursued during the FY 2022/23. Furthermore, these properties will need to be fully furnished and remodelled. UIA through the One Stop centre plans to fully automate the eBiz platform to provide Investors with valid investment information and facilitate timely online licensing of businesses.

#### **Recommendation**

**The Committee recommends Ushs 4Bn be allocated to Uganda Investment Authority to setup regional one stop centres and for the implementation of automated eBiz services.**

#### **7.3 Enhance the FDI & DDI Development in the Country – Ushs2Bn**

Foreign Direct Investment and international trade have the ripple effect of leading to higher productivity of domestic firms through access to new ideas, technologies and organisational skills. UIA in the next medium term will

embark on robust mechanisms of attracting Foreign Direct Investments in the country and further provide strategy of supporting domestic investment.

In order to enhance the above efforts to attract FDI, UIA requires Ushs2Bn in additional funding.

**Recommendation**

**The Committee recommends that an additional Ushs2Bn is allocated to UIA for the enhancement of Foreign Direct Investment in Uganda.**

**7.4 Enhancement of viable investment opportunities - Ushs2Bn**

The Committee observed that In order to develop profitable investment profiles, UIA will have readily available information through investment compendiums to facilitate and provide comprehensive and reliable investment information within the five key industrial sub-sectors.

**Recommendation**

**The Committee recommends that Ushs2Bn additional funding be allocated to Uganda Investment Authority for the enhancement of viable investment opportunities.**

**7.5 Implementation of the Kabaale Industrial Business Park Namanve Project – Ushs 9Bn**

The Committee observed that there is need for an additional Ushs9Bn to be allocated to UIA to finance activities of the Owner's Engineer for FY 23/24 at Kabaale Industrial Business Park. The activities of the Owner's Engineer on the critical KIBP Namanve project are not financed through the project for the FY 2021/22 onwards, and yet this financing is critical for the project's survival. There is therefore a requirement to have funds to cover the shortfall for the remaining project period.

**Recommendation**

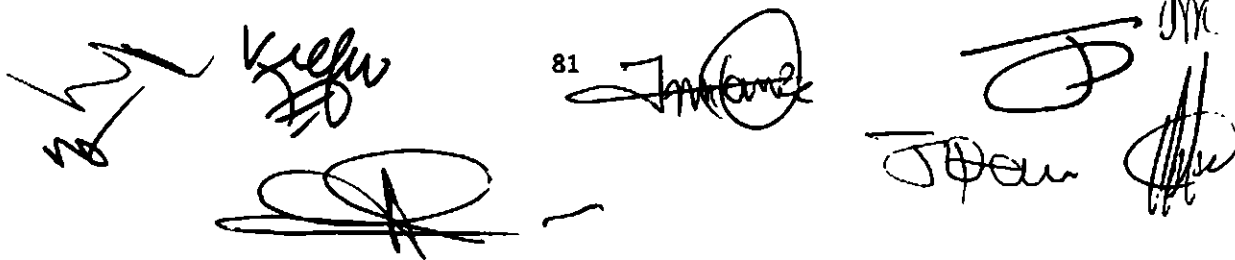
**The Committee recommends that an additional Ushs9Bn be allocated to Uganda Investment Authority to finance the activities of the Owner's Engineer for FY 23/24 at Kabaale Industrial Business Park.**

**8.0 CAPITAL MARKETS AUTHORITY**

**8.1 Investor and issuer outreach programs – Ushs0.75Bn**

The Committee observed that capital markets are an underexploited portfolio for investment and saving. The Committee further observed that the Authority needs to be facilitated to enable it extend its reach to potential investors and issuers in the country, beyond Kampala. The Authority requires funding to

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traverse the country and sensitise people through radio and television on the opportunities available in the capital markets for both potential investors and potential issuers.

**Recommendation**

**The Committee recommends that an additional Ushs0.75Bn for setting up a nationwide media campaign be allocated to Capital Markets Authority.**

**9.0 UGANDA REVENUE AUTHORITY**

**9.1 The Rental Tax Compliance Management System - Ushs 14.785Bn**

The Committee observed that the URA requires Ushs14.785Bn to enhance its revenue mobilisation in the rental tax head specifically through the Rental Tax Compliance Management System.

**Recommendation**

**The Committee recommends that an additional Ushs14.785Bn be allocated to URA for the Rental Tax Compliance Management System.**

**9.2 Specialised Audits - Ushs 16.7Bn**

The Committee observed URA requires an additional Ushs16.7Bn to enable it undertake specialised audits. Specialised audits in specific technical fields help to combat fraud, prevent tax evasion and non-compliance.

**Recommendation**

**The Committee recommends that an additional Ushs 16.7Bn to undertake specialised audits.**

**10.0 UGANDA BUREAU OF STATISTICS**

**The National Population and Housing Census (NPHC) - Ushs 160.60Bn**

The Committee observed that UBOS intends to conduct the 2023 Population and Housing Census in September, 2023. The Committee raised concern that the failure to appropriate funds in the supplementary budget ensured the need for all funds for preparatory activities for UBOS's undertaking of the NPHC to be appropriated.

Additional financing requirement equivalent to Shs. 160.60 billion in the current FY 2022/23 to enable it carry out the preparatory activities for the Census, which was initially planned for the FY 2021/22. An additional Shs.

2 billion over and above the FY 2023/24 proposed allocation for the Census is required to complete the funding retirement.

The Committee noted that demographic and socio-economic data are useful for planning and evidence-based decision making in any country. Such data is collected through Population Censuses, Demographic and Socio-economic Surveys, Civil Registration Systems and other Administrative sources. In Uganda, however, the Population and Housing Census remains the main source of demographic data.

### **Recommendation**

**The Committee recommends that on top of Ushs 176Bn provided for the census enumeration exercise in the budget for FY 2023/24, an additional Ushs 160Bn to cater for pre-census activities including mapping and procurement of census gadgets be provided.**

## **11.0 Public Procurement and Disposal of Public Assets Authority (PPDA)**

### **11.1 Expansion of Audit Coverage and investigations – Ushs 4.7Bn**

The Committee observed that in the delivery of its mandate, PPDA conducts procurement and disposal audits which require travel to all MDA's and LG's in Uganda and given the ever increasing number of Agencies and Local Governments there is ever increasing need for an increment on this line. Currently the Authority conduct its Audits on a sample basis and the existing resource envelope can only permit an audit coverage of 40%. This situation has been worsened by the closure of the Governance, Accountability, Participation, and Performance Program (GAPP) which has been supporting some audits in Northern and Central Regions.

### **Committee Recommendation**

***The Committee recommends that the PPDA be provided with Shs. 4.7Bn to expand the current Audit Coverage to at least 80%. This will go a long way in ensuring that the Authority achieves the desired audit levels for effective performance.***

### **11.2 Monitoring the Implementation of local Content and Reservation Schemes in Public Procurement**

As part of Government policy, PPDA regulations were amended in the FY2017/18 to promote Buy Uganda Build Uganda (BUBU) by creation of reservation schemes for goods, works and services; The Authority reviewed

the reservation schemes guidelines in public procurement in an attempt to promote the facilitation of local providers.

However, it was noted that some Entities do not implement these guidelines and this therefore requires close monitoring of Entities to ensure that the guidelines are fully implemented with an aim of spurring growth of local enterprise.

**Committee recommendation.**

***The Committee recommends that the Authority monitors the entities within the funding levels provided in the MTEF.***

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

The Authority requires additional staff to manage its ever expanding mandate and to expand audit coverage. The Authority has vacancies in key positions which has resulted into delays in implementation of activities and a very heavy workload for the existing staff. The Authority requires USHS 6.986 Bn to recruit additional staff, in order to strengthen its governance and internal systems.

**Committee recommendation.**

***The Committee recommends that the resources of Ushs 6.98 billion be given to the Authority for strengthening of governance and internal systems.***

**12.0 UGANDA FREE ZONES AUTHORITY (UFZA)**

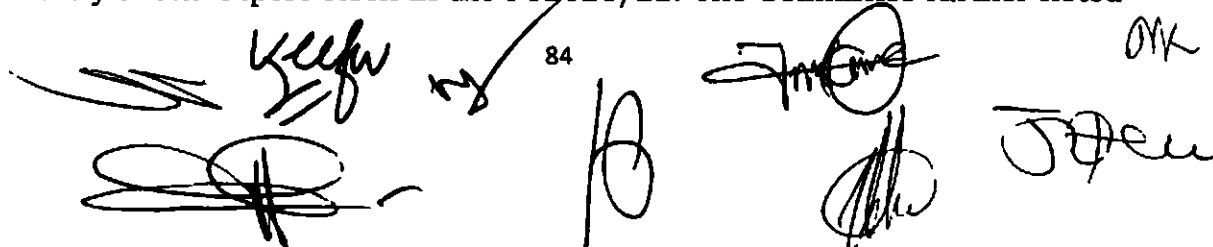
**12.1 Completion of the Entebbe International Airport Free Zone**

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

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that during the FY2020/21, Free Zones contributed Shs. 22.59 billion to the country's tax revenue, compared to Shs. 30.88 billion in FY2019/20. The reduction was mainly due to tax exemptions from VAT. The tax forgone was Shs. 158.03 billion in FY2020/21 compared to Shs. 2.85 billion in FY2019/20. In other words, without VAT tax exemptions, Free Zones would have contributed at least Ushs200Bn in tax revenue.

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

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 to establish viable free zones capable of attracting significant FDI and industries.

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

#### **Committee recommendations.**

- 1. The Committee recommends that the Vote MTEF allocation in the BFP be enhanced by an additional Shs. 1.92 billion for UFZA.**
- 2. The Committee further recommends for the de-gazetting of persons holding licenses but are not contributing to the free zones.**

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

- 1) Extension of coverage on self-employed and informal sector workers – Ushs 630,000,000**

The Committee observed that having identified the need for a National Micro Pension Scheme, broader consultations are required to optimise the scheme's efficiency once made operational.

A micro pension is a financial security scheme for investors or individuals with a low income. It combines both the elements of a usual pension scheme and specific features of microfinance. As this pension product is not provided by the government or employer but requested by the investors themselves, micro-pensions can be classified as a third pillar pension scheme. However,

there are several differences from the setting of the regular pension, as familiar to the citizens of all developed countries. One of these differences is that self-employed people, or those belonging to the informal sector, do not have any official fixed salary. This makes it impossible to use the mechanism of collecting money as taxation of the income.

Extention of coverage on self-employed and informal sector workers will require resources for the following objectives in FY2023/24;

- a) An implementation blueprint for a National Micro-Pension Scheme;
- b) Preparation of the report on the Rapid Assessment of the feasibility of the National Long-Term Savings Scheme; and
- c) Development of the pertinent framework for the establishment and effective operationalization of a National Micro-Pension Scheme.

The income of self-employed people is often irregular and more vulnerable to the risks like natural disasters, uncertainties in the economy, health emergency or theft than that of people working in the formal sector. This makes the collected amount and consequently, the future stream of cash flows more uncertain. Hence the necessity for URBRA to establish a National Micro-Pension Scheme to embrace the informal sector in pension savings given the fact that most do not have a personal bank account for the money accumulation. To actualize this output, URBRA requires UGX 2,050,000,000.

### **Recommendation**

**The Committee recommends that URBRA be allocated Ushs 0.63Bn to kick start the establishment of National Micro- Pension Scheme**

#### **14.0 Uganda MicroFinance Regulatory Authority**

##### **1) Sensitisation on UMA's mandate to create public awareness and Compliance – Ushs4Bn**

The Committee observed that in order for UMRA to strengthen their capacity to prepare for licensing and supervision of large-scale SACCO's due to systemic risks and contagion effects they pose on the financial sectors.

### **Recommendation**

**The Committee recommends that an additional Ushs4Bn be allocated to UMRA to create public awareness and compliance.**

##### **2) Wages and Salaries – Ushs2.3Bn**

The Committee observed that after the passing of the Micro Finance Deposit-taking Institutions Bill, 2023, large SACCO's are currently under the

supervision of UMRA, which shall require more staff in order for it to fulfill its supervisory role.

#### **Recommendation**

**The Committee recommends that an additional Ushs2.3Bn be allocated to Uganda Micro Finance Regulatory Authority.**

### **15.0 NATIONAL LOTTERIES AND GAMING REGULATORY BOARD**

#### **1) ISO27701 Privacy information system certification - Ushs 0.15Bn**

The Committee observed that the development of a National Central Electronic Monitoring System (NCEMS) which the Board is currently finalizing calls for dealing with a lot of personal data. It is from this background that the Board intends to manage the personal data to meet the international standards using ISO 27701 (Data Privacy Information System), and requires an additional Ushs0.15Bn for the same.

#### **Recommendation**

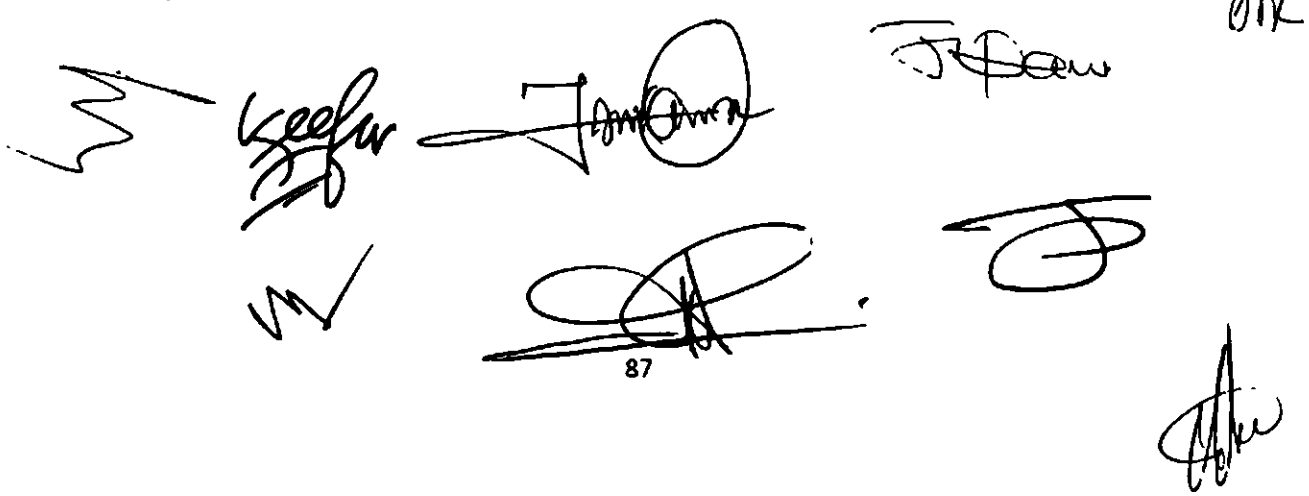
**The Committee recommends that an additional Ushs 0.15Bn be allocated to NLGRB for privacy information system certification.**

Operationalization of National Lottery - Ushs 300,000,000

As part of the Board's resource mobilisation strategy to increase its NTR, a National Lottery is proposed for further allocation of Ushs300,000,000 to NLGRB.

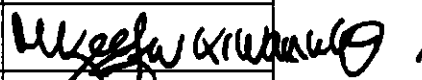
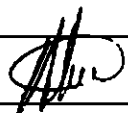
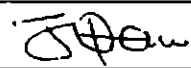

#### **Recommendation**

**The Committee recommends that Ushs0.3Bn be allocated to National Lotteries and Gaming Regulatory Board to enable it carry out a national lottery.**



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

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