



THE REPUBLIC OF UGANDA

**MINISTRY OF FINANCE,
PLANNING AND ECONOMIC
DEVELOPMENT**

**KNOW YOUR
BUDGET**

FY 2015/16



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FOREWORD

This Financial Year 2015/16 marks the beginning of the Second National Development Plan (NDPII), and is also the Financial Year in which the 2016 general elections will take place thus presenting an element of uniqueness. As has always been the case, this Financial Year's Budget will seek to adequately allocate and prioritise the country's resources to key sectors in a bid to promote economic growth and development. 'Know your Budget FY 2015/16' aims to show the sources of these resources and also highlight key measures the Government has put in place to expand on the resource envelope as a means to further implement Government objectives.

The Budget for Financial Year 2015/16 is the first since the commencement of the new Public Finance Management (PFM) Act 2015. This Act requires that the Budget is approved by Parliament prior to the beginning of the Financial Year. It also aims to, among others, ensure accountability; enhance reporting for public resources, and increase fiscal discipline. The Act also prescribes how Oil Revenues will be managed and invested, and also provides for Parliament to approve a Charter of Fiscal Responsibility (CFR) that details Government's fiscal policy objectives, including the sufficiency of revenue, and the maintenance of prudent levels of public debt.

The theme for the Financial Year 2015/16 Budget is *'Maintaining Infrastructure Investment and Promoting Excellence in Public Service Provision.'* This together with the Budget Strategy for FY 2015/16 have been developed to contribute towards our long term objective Vision 2040, the newly launched Second National Development Plan (NDPII) and the NRM 2011-2016 Manifesto. The findings of the 2014 Population and Housing Census, our recent rebasing of the Gross Domestic Product (GDP), the roadmap for the forthcoming general elections 2016 and the prevailing macroeconomic conditions and outlook have also been taken into account.

This publication of 'Know Your Budget FY 2015/16' highlights the strategic objectives of the Financial Year 2015/16 Budget, provides an understanding of the new tax measures and reasons behind resource allocations to key sectors. In order to fully appreciate the Budget, this publication will also provide a summary of the key Budget features. The total approved Budget for Financial Year 2015/16 is US\$23,972 billion. Shs17,329 billion is allocated for spending by Ministries, Departments and Agencies (MDA's) and Shs 6,643 billion is debt repayments plus interest on total debt.

Compared to FY 2014/15, the Budget for the FY 2015/16 has increased by approximately 51.4% (US\$8.136 Trillion) on account of: US\$4.7 Trillion old debt which is being rolled over and is Budget neutral; and Increase of external financing for new infrastructure projects on non-concessional terms; such as Isimba Hydroelectricity Power Project, Karuma Hydroelectricity Power Project, Entebbe Airport Rehabilitation Phase 1, among others.

As we aim to promote accountability, transparency and ease of access to all relevant information in this country, I would encourage all of you to take keen interest in this budget and understand the allocations to areas of your interest. With the creation of a dedicated budget website www.budget.go.ug, and a free hotline 0800 229229, any Budget related information can easily be accessed.

For God and My Country.

Matia Kasaija (MP)

Minister of Finance, Planning and Economic Development

LIST OF ACRONYMS

BFP	Budget Framework Paper
CFR	Charter of Fiscal Responsibility
EAC	East African Community
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
ICD	Inland Container Depot
ICT	Information and Communication Technology
IRS	Indoor Residual Spraying
KCCA	Kampala Capital City Authority
LG	Local Government
LPG	Liquefied Petroleum Gas
MDAs	Ministries Agencies and Departments
MFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
MW	Megawatts
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NHATC	National High Altitude Training Centre
NLIS	National Land Information System
NRM	National Resistance Movement
NSISP	National Security Information Systems Project
PAYE	Pay As You Earn
PER	Public Expenditure Review
PFMA	Public Finance Management Act
PTC	Primary Teachers' College
SWG	Sector Working Group
UIA	Uganda Investment Authority
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
UShs	Uganda Shillings
VAT	Value Added Tax

GLOSSARY

- **Appropriation Act** authorizes Government Ministries and Agencies to allocate and spend funds on selected programmes and projects.
- **Budget Deficit** is defined as the difference between what the government spends and the revenue that the government collects.
- **Concessional loans** are loans that are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those available on the market or by grace periods, or a combination of these. Concessional loans typically have long grace periods. These are usually provided by multilateral agencies such as The World Bank and African Development Bank.
- **Contingencies fund** is a fund established by the PFM act to finance supplementary expenditure and to respond to natural disasters.
- **Domestic Financing** is the amount of money raised by the Government, from its own residents mostly through issuing government securities.
- **Economic growth** refers to the increase in the amount of goods and services produced in a country over a period of time.
- **Grants** are non-repayable funds received by government from development partners.
- **Gross Domestic Product (GDP)** is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.
- **Inflation** is a sustained increase in the general price level of goods and services in an economy over a period of time.
- **Non Tax revenue** is revenue from other sources apart from tax. These include fees and licenses.
- **Public Debt** is the debt owed by a central government.
- **Real Gross Domestic Product (real GDP)** is GDP which is adjusted for price changes (i.e., inflation or deflation). This adjustment transforms the money-value measure, nominal GDP, into an index for quantity of total output.
- **Trade deficit** is where a country's imports exceeds its exports.
- **Taxes** are financial charges or other levies imposed upon a taxpayer (an individual or legal entity) by a state or the functional equivalent of a state to fund various public expenditures. These include: Income Tax, Value Added Tax (VAT), excise duty, custom duties among others.

INTRODUCTION

This publication is a citizens guide to the budget for Financial Year 2015/16. It is meant to help citizens to understand the government priorities for the year and the process by which the budget is developed each year.

The guide includes:

- i. A description of the annual budget process.
- ii. Highlights of the budget showing revenue sources and prioritized expenditures.
- iii. Information on how citizens can help to monitor the implementation of the budget.

What is the theme of this Financial Year's Budget?

“Maintaining Infrastructure Investment and Promoting Excellence in Public Service Delivery”

The thrust of the FY 2015/16 Budget continues to address infrastructure gaps and also address socio-economic transformation.

What strategic objectives are to be achieved by the key sector interventions over the next five years of the National Development Plan?

- i. Increase Sustainable Production, Productivity and Value Addition in Key Growth opportunities;
- ii. Increase the Stock and Quality of Strategic Infrastructure to Accelerate the Country's Competitiveness;
- iii. Enhance Human Capital Development; and

- iv. Strengthen Mechanisms for Quality, Effective and Efficient Service Delivery.

What are the Key Sector Interventions in the National Budget Strategy?

1. Maintenance of National Security and Defence.
2. Facilitation of Private Sector Enterprise for increased Investment, Employment and Economic Growth.
3. Effective delivery of Infrastructure Development and Maintenance. Infrastructure Development and maintenance in roads, railway and ICT; ultimately reduce the cost of doing business.
4. Commercializing Production and Productivity in Primary Growth Sectors. Commercialising Production in Agriculture, Livestock, Industry, Mining and Quarrying,
5. Increased Domestic Revenue mobilization;
6. Increasing Social Service Delivery for services such as education, health care, water and sanitation, transport among others.
7. Enhancing the skills of and welfare of Uganda's Human resource to ensure a sustainable supply of skilled, healthy and capable Ugandans.

Enhancing Efficiency in Government Management and accountability of resources to reduce cases of corruption.

The Budget Process: Implications of the Public Finance Management (PFM) Act 2015

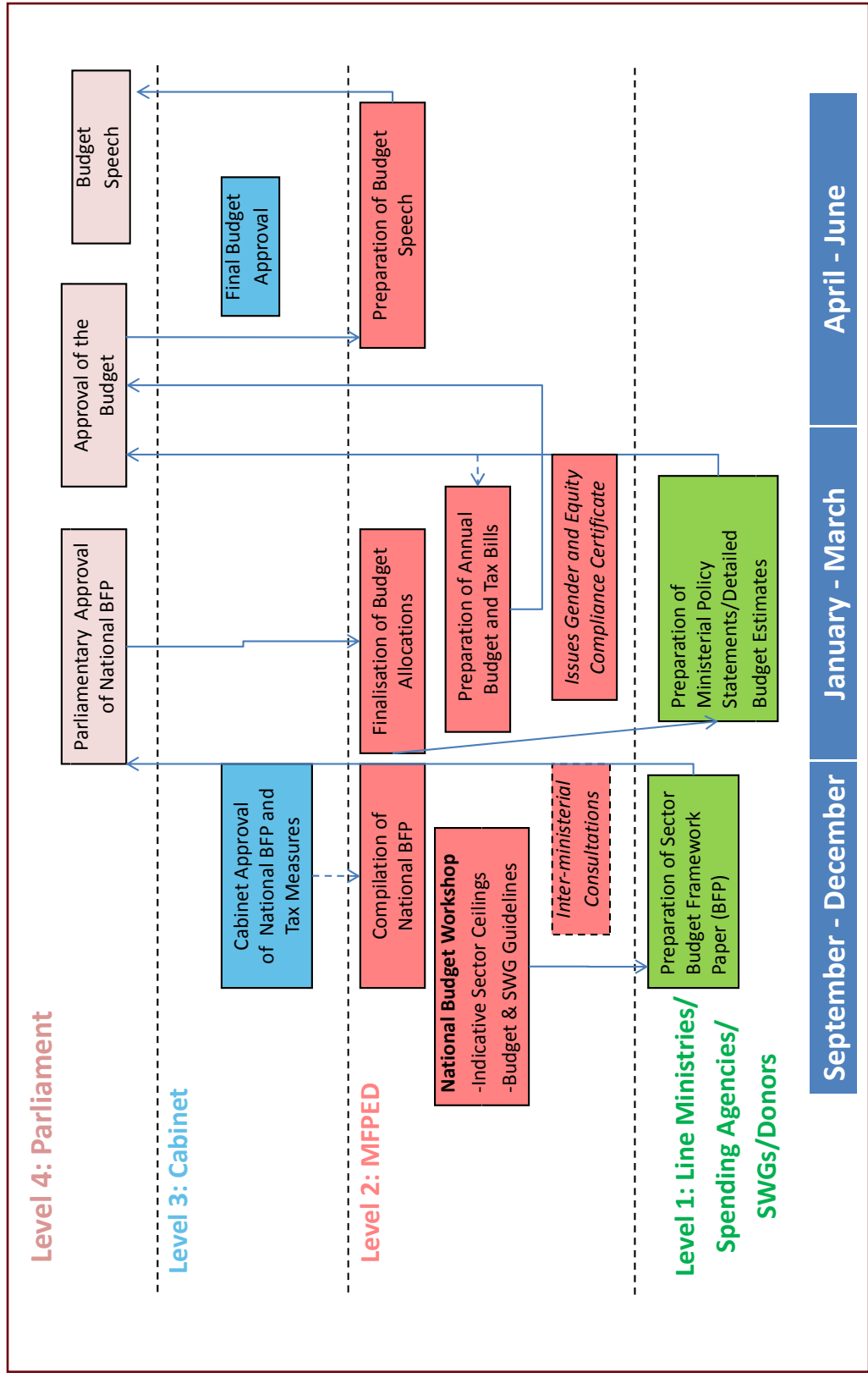
The PFM Act 2015 came into force on 6th March 2015. The Act, provides a framework and time lines for management of the Budget. The Act reduces the budget preparation and approval process from twelve to nine months, ensuring that the Budget is approved before the commencement of the new Financial Year.

Fundamental Reforms in the PFM Act, 2015

- Establishing principles and procedures for sound management of the economy
- Execution of a charter of fiscal responsibility by the Minister to Parliament at the beginning of a newly elected government
- Ensure integrity and predictability of the budget by ensuring that funds are released as budgeted.
- Operationalise the Contingencies Fund from which supplementary expenditures and emergencies are funded.
- Ensure seamless linkages/no overlaps in the PFM cycle.
- Strengthening budget oversight at all levels.
- Full reporting on performance of entire Government, including parastatals and state enterprises for better Parliamentary oversight.
- Alignment of the budget to the National Development Plan by requiring for a certificate from the National Planning Authority to demonstrate so.
- Integration of petroleum revenue into national budget.



BUDGET PROCESS



EAST AFRICA BUDGET HIGHLIGHTS

Indicator	Uganda	Kenya	Tanzania	Rwanda
Total Budget (USD' Million)	7.6	21.27	12.31	2.47
GDP current prices (USD' Million)	24,905	59,201	36,362	9,017
Real GDP growth rate (%)	5.3	5.3	7.1	6.5
Population (Million)	35	43	49.6	11.3
GDP per capita (USD)	712	1376	733	798
Overall inflation rate (%)	5.5	6.9	5.9	2.6
Budget deficit % of GDP at current prices	4.5	8.0	3.8	5.0
Total public debt (USD million)	7,600	25,220	18,055	2,250
Trade deficit as % of GDP current prices	8.5	28.4	11	16.2
Tax revenues (USD million)	5,951	13,246	5,686	1,310

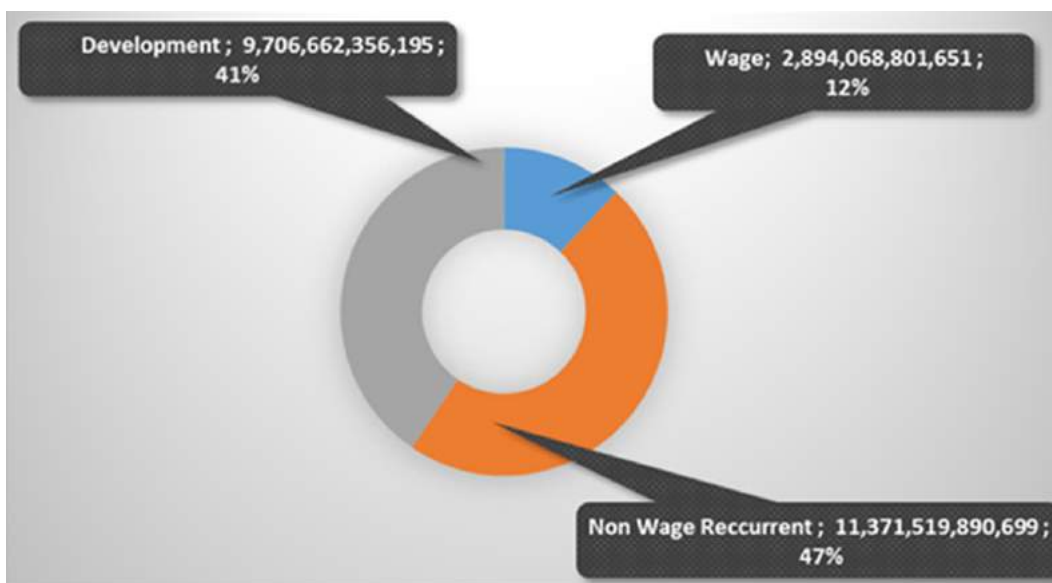
Source: KPMG (Kenya)

Uganda's 2015/16 budget (US\$ billion)

	Budget Estimates	Percentage
	FY 2015/16	of Budget
A) REVENUES (INFLOWS)		
Domestic Resources (1)	18,323.20	76.44%
Revenue	11,333.00	47.28%
<i>URA Tax Revenue</i>	<i>10,814.00</i>	<i>45.11%</i>
<i>Non Tax Revenue</i>	<i>519.00</i>	<i>2.17%</i>
Domestic Financing	6,368.85	26.57%
Appropriation in Aid (AIA)	621.35	2.59%
External Resources (2)	5,649.05	23.56%
Budget Support	51.30	0.21%
<i>Grants</i>	<i>51.30</i>	
Project Support	5,597.75	23.35%
<i>Grants</i>	<i>1,043.10</i>	<i>4.35%</i>
<i>Loans</i>	<i>4,554.65</i>	<i>19.00%</i>
TOTAL REVENUES (1) + (2)	23,972.25	100.00%

B) EXPENDITURE (OUTFLOWS)		
Recurrent Expenditure	8,656.65	36.11%
<i>Wage</i>	<i>2,894.07</i>	<i>12.07%</i>
<i>Non Wage(excl interest payments)</i>	<i>4,106.40</i>	<i>17.13%</i>
<i>Interest Payments</i>	<i>1,656.19</i>	<i>6.91%</i>
Development Expenditure	9,654.72	40.27%
<i>Government Financing</i>	<i>4,056.97</i>	<i>16.92%</i>
<i>External Financing</i>	<i>5,597.75</i>	<i>23.35%</i>
Domestic Arrears	80.00	0.33%
External Debt Repayment	172.04	0.72%
Domestic Debt Repayment	4,787.49	19.97%
Appropriation in Aid (AIA)	621.35	2.59%
TOTAL EXPENDITURE	23,972.25	100.00%

Uganda's 2015/16 budget by Category: Wage; Non-Wage and Development



Top 10 items that received the highest Budget Allocation in the FY 2015/16 excluding Debt Repayment

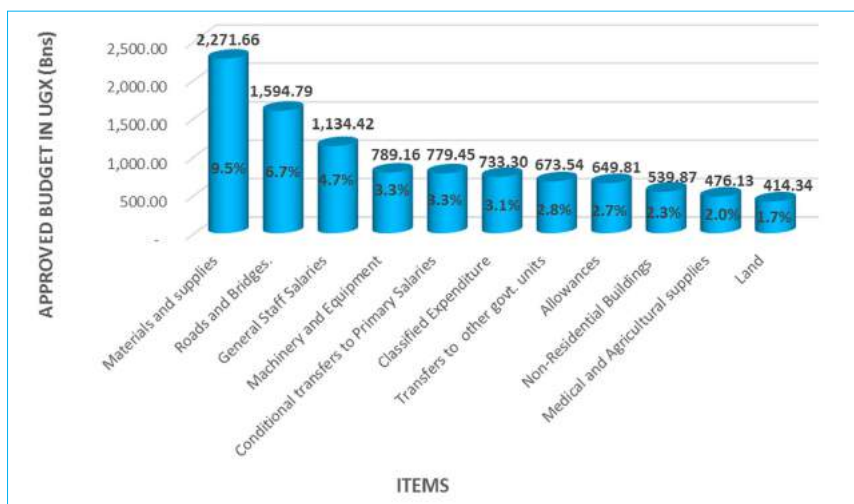
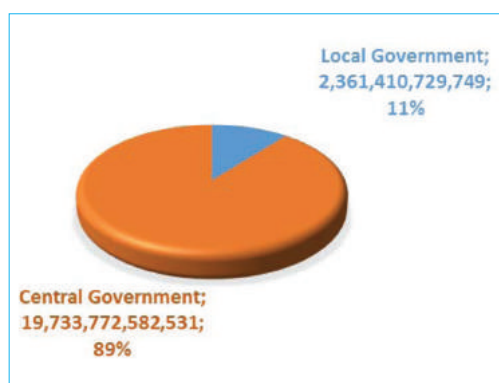


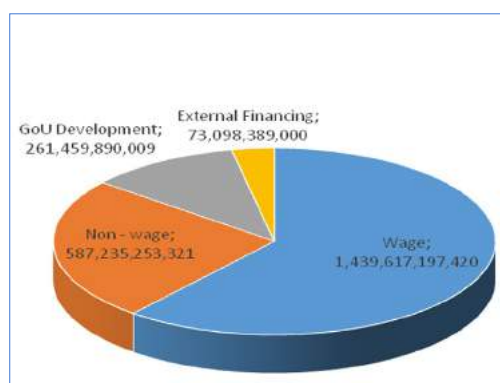
Table showing Wage by Category

Category	Allocation
Traditional	1,569,090,400,591
Health Workers	311,031,347,491
Teachers	997,531,589,284
Missions	16,415,464,285
Total Wage	2,894,068,801,651

Share of Local Government budget of total budget excluding interest payments and amortization.



Share of Local Government budget by Category; Wage; Non-Wage, External Financing and Development



Top 10 and Bottom 10 Local Government (LGs) budgets (US\$ 000)

No.	Local Government	Wage	Non - wage	GoU Development	External Financing	Total
Top 10 LGs						
1	Wakiso District	32,601,166	16,981,681	13,197,029	-	62,779,876
2	Kabale District	32,698,322	15,025,347	1,558,078	-	49,281,747
3	Arua District	31,328,151	12,312,213	3,692,753	303,531	47,636,648
4	Kasese District	30,315,590	11,870,368	3,164,671	-	45,350,629
5	Rakai District	28,662,497	8,935,653	2,119,006	-	39,717,155
6	Luwero District	25,640,528	8,787,039	2,436,624	-	36,864,191
7	Iganga District	23,837,793	10,106,523	2,321,441	-	36,265,757
8	Tororo District	20,133,827	11,944,618	2,711,411	-	34,789,855
9	Kamuli District	21,119,532	9,617,903	2,086,148	-	32,823,583
10	Mbale District	17,928,354	11,558,232	2,327,867	-	31,814,453
Bottom 10 LGs						
10	Buhweju District	4,277,050	1,604,291	1,091,972	-	6,973,313
9	Masindi Municipal Council	4,098,017	1,533,940	1,117,287	-	6,749,244
8	Buvuma District	3,068,918	1,519,488	1,731,842	-	6,320,248
7	Bushenyi - Ishaka Municipal Council	4,167,147	1,457,126	292,468	-	5,916,741
6	Amudat District	1,779,531	1,315,444	2,524,398	-	5,619,374
5	Rukungiri Municipal Council	3,472,563	980,151	285,120	-	4,737,834
4	Iganga Municipal Council	2,249,394	1,500,527	422,475	-	4,172,396
3	Moroto Municipal Council	1,223,400	629,852	565,425	1,259,962	3,678,638
2	Busia Municipal Council	2,028,859	838,377	669,807	-	3,537,042
1	Ntungamo Municipal Council	1,319,385	1,044,010	205,072	-	2,568,467

JUSTIFICATION FOR INCREASE IN THE FY 2015/16 BUDGET

Compared to FY 2014/15, the budget for the FY 2015/16 increased by approximately Ushs 8.136 trillion, mostly on account of:

1. Ushs 4.7 Trillion which is meant to pay maturing domestic debt on Treasury Bill and Bonds. These funds are rolled over from old domestic debt banked in an account at Bank of Uganda but we are now required to include them in the budget because of the new PFMA 2015.
2. Ushs. 3.2 Trillion of external non-concessional financing for new infrastructure projects:

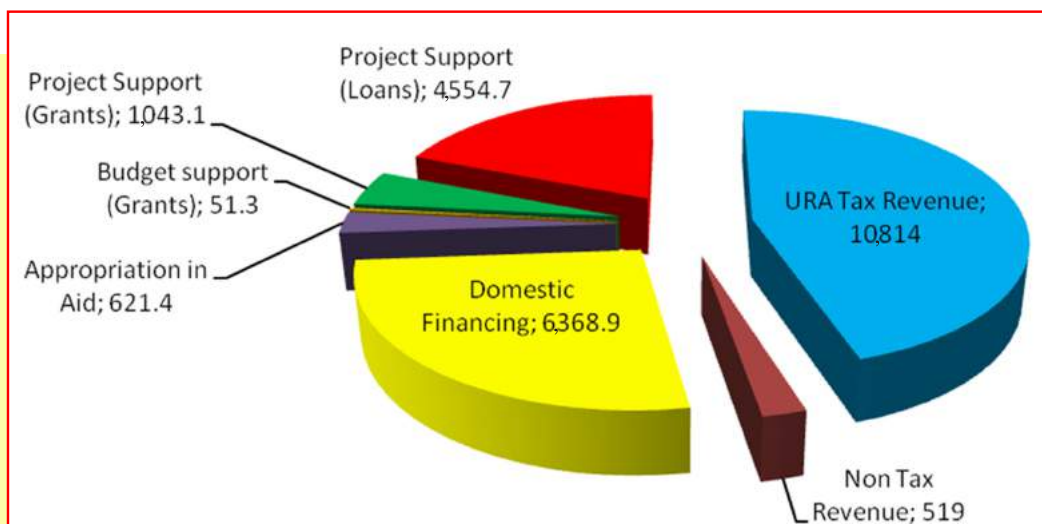
Project		Amount
(i)	Isimba Hydroelectricity Power Project	629,690,000,000
(ii)	Karuma Hydroelectricity Power Project	1,605,130,000,000
(iii)	Earth Moving Equipment Japan	409,281,375,000
(iv)	Entebbe Airport Rehabilitation Phase 1	252,875,768,184
(v)	Defence Equipment Project	264,052,500,000
Total		3,161,029,643,184

How will government raise money to fund the budget?

Government Revenues (Inflows) are made up of Domestic Resources and External Resources. Domestic resources include taxes collected by URA, Non-Tax Revenue, Domestic Financing and Appropriation in

Aid. External Resources on the other hand include Budget support (in form of Grants, Loans and Debt Relief) and Project Support (in form of Grants and Loans)

Government Revenue 2015/16 (billions, Ushs)



TAX MEASURES

The objectives of the various measures for the Financial Year 2015/16 are to raise revenues, enhance transparency in collection and enforcement, improve compliance and encourage investment.

INCOME TAX

An **income tax** is a government levy (tax) imposed on individuals or entities (taxpayers) that varies with the **income** or profits (taxable **income**) of the taxpayer.

- The annual turnover threshold for presumptive tax has been increased to UShs 150 million from 50 million
- For annual turnover between UShs 50 and UShs 150 million, a schedule of tax payable based on grading of turnover has been introduced.
- Retailers, workshops, garages, hair salons, tailors, maternity homes and drug shops in Kampala and other municipalities and towns whose turnover is less than UShs 50 million to pay presumptive tax in the range of UShs 100,000 to 500,000 depending on grading.
- Owners of vehicles requiring licencing for public transportation of passengers and goods will pay advance income tax prior to renewal of annual licenses. Drivers and conductors of such vehicles will be required to pay as well.
- Reduction of withholding tax rate for non-resident suppliers of services to licensees of petroleum and mining operations from 15% to 10%.
- The withholding tax rate on payments by a resident person to a non-resident person for re-insurance services will be reduced from 15% to 5%.
- The exemption of 6% withholding tax

on petroleum and petroleum products, plant and machinery, human or animal drugs, scholastic materials, and raw materials has been scrapped.

VALUE ADDED TAX (VAT)

VAT is a type of consumption tax that is placed on a product whenever value is added at a stage of production and at final sale.

- Relief mechanism introduced to ensure that these sectors do not suffer VAT as a cost on local and imported procurements of goods and services. Threshold for cash basis accounting annual turnover threshold for cash basis accounting has been increased to UShs 500 million up from UShs 200 million.
- Annual threshold for VAT registration has been increased to UShs 50 million from 150 million to ease compliance and reduce the cost of VAT administration.
- The Government has reversed the exemption from VAT of compact fluorescent bulbs with a power connecting cap at the end. Going forward, a VAT rate of 18% will therefore apply.
- Cereals grown and milled in Uganda have been zero-rated. They were previously standard rated.
- Organisations that qualify for VAT relief to fight AIDS, Malaria and Tuberculosis now include Uganda Red Cross and Global Fund.

ENVIRONMENTAL LEVY

Increase of environmental levy on motor vehicles between 5-10 years old from 20% to 35% and motor vehicles of 10 years and above from 20% to 50% of CIF value. This does not apply to goods vehicles

EXCISE DUTY

An **excise** tax is an inland tax on the sale, or production for sale, of specific goods or a tax on a good produced for sale, or sold, within a country or licenses for specific activities.

- Increase the excise duty rate for non premium beers from 20% to 30%.



- Increase excise duty on wine and ready to drink spirits from 70% to 80%.
- Increase in excise duty for soft cap cigarettes from 35,000 to 45,000 per 1000 sticks.
- Increase in excise duty for hinge lid cigarettes from 69,000 to 75,000 per 1000 sticks.



- Reduce excise duty on spirits from 140% to 100%.

- The excise duty on Petrol and Diesel has been increased by Shs. 50.
- Impose excise duty on motor vehicle lubricants at 5%.
- Impose excise duty on chewing gum, sweets, chocolate by 10%.
- Impose excise duty on furniture at a rate of 10%.
- Removal of excise duty of 10% on international calls to implement the One Area Network for EAC region effective 1st January 2015.
- Reduce excise duty on: Road tractors for semi trailers from 10% to 0%; Goods vehicles (5 to 20 tonnes) from 25% to 10%; Goods vehicles (more than 20 tonnes) from 25% to 0%; Buses (25+ persons) from 25% to 10%.

NON TAX REVENUE, NEW TAX LAWS AND OTHER REFORMS

1. Passport fees increased depending on the category of the passport. The fees range from US\$ 80,000 to US\$ 300,000 for express passports.
2. Increase of single entry visa fees from USD 50 to USD 80.
3. Introduction of non-refundable work permit application fee of USD 500.
4. Operator licence fees for vehicles, depending on category of vehicle.
5. Operator licence for cargo vessels, depending on category of vessel.
6. Operator licence for passenger vessels, depending on category of vessel.
7. Operator licence for research and leisure vessels, depending on class of vessel.

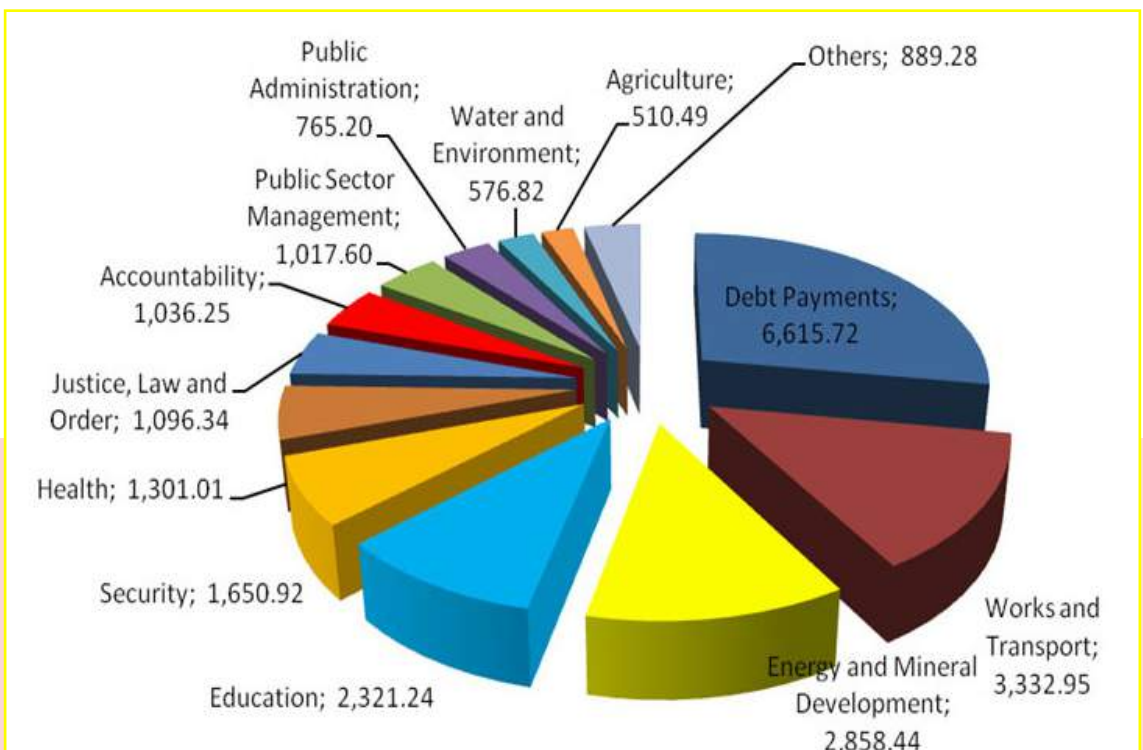
CUSTOMS TAX

Customs Duty is a tariff or tax imposed on goods when transported across international borders. The purpose of Customs Duty is to protect each country's economy, residents, jobs, environment, etc., by controlling the flow of goods, especially restrictive and prohibited goods, into and out of the country.

How will the Government spend money to achieve the set targets and priorities?

Summary of Government Expenditure in 2015/2016 (billions, Ushs)

The chart below shows how Government has planned to spend its resources to achieve the objectives of the National Budget.



COMPOSITION OF KEY SECTORS

Public Sector Management comprises of the Office of the Prime Minister, Ministries of Local Government, Public Service East African Affairs, and Information and National Guidance. It also comprises of Kampala Capital City Authority, Public Service Commission, National Planning Authority, and Local Government Finance Commission.

Security consists of Ministry of Defence, Internal Security Organisation (ISO), and External Security Organisation (ESO).

Accountability consists of Ministry of Finance, URA, Public Procurement and Disposable of Public Assets Authority (PPDA), Uganda Bureau of Statistics (UBOS), the Inspectorate of Government (IGG), Ethics and Integrity, and Auditor General.

Justice, Law and Order consists of the Ministries of Internal Affairs and that of Justice and Constitutional Affairs. It also consists of Uganda Police, Uganda Prisons, Directorate of Public Prosecution (DPP), Uganda Registration Services Bureau, the Judiciary, Uganda Human Rights Commission, Law Reform Commission, Law Development Centre, National Citizenship and Immigration Control and Judicial Service Commission.

Social Development consists of Equal Opportunities Commission and the Ministry of Gender, Labour, and Social Development. It also caters for Public Libraries and District Women, Youth, Disability Councils and Grants.

Works and Transport comprises of the Ministry of Works and Transport, Uganda Road Fund, Uganda National Roads Authority

(UNRA), District Roads Rehabilitation, the Transport Corridor Project, and KCCA Road Rehabilitation Grant.

Public Administration consists of Office of the President, State House, the Ministry of Foreign Affairs, Electoral Commission, and Uganda's embassies.

Energy and Mineral Development comprises of Ministry of Energy and Mineral Development as well as Rural Electrification Agency (REA).

Education comprises of the Ministry of Education, Science, Technology and Sports, Education Service Commission, the Public Universities and Local government grants.

Health comprises of the Ministry of Health, Uganda AIDS Commission, Uganda Cancer Institute, Uganda Heart Institute, National Medical Stores, Health Service Commission, Uganda Blood Transfusion Service (UBTS), Mulago Hospital Complex, Butabika Hospitals, Regional Referral Hospitals and Local government grants.

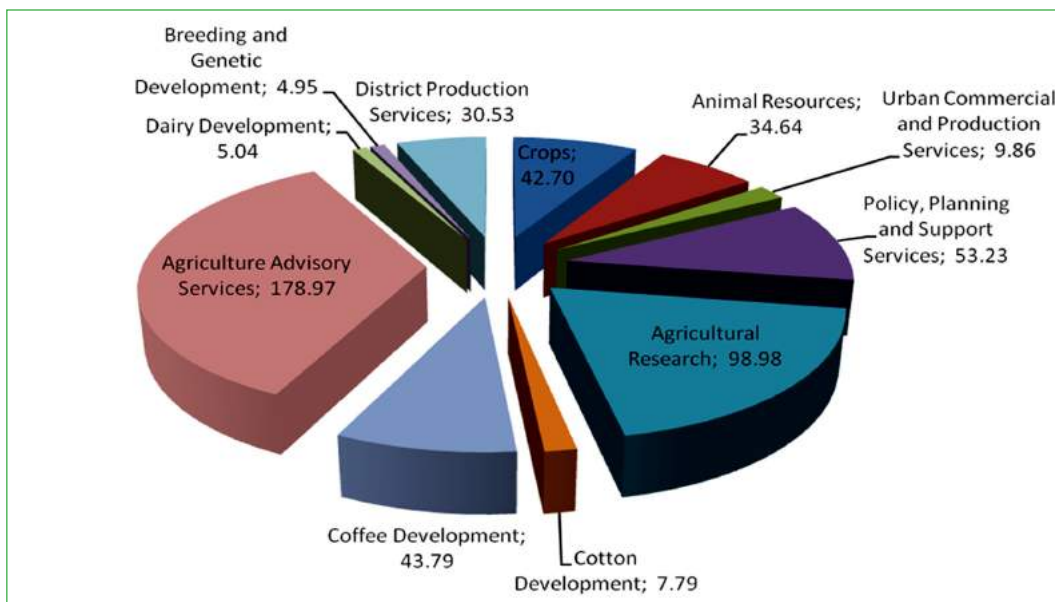
Agriculture comprises of the Ministry of Agriculture, Animal Industry and Fisheries, Dairy Development Authority, National Animal Genetic Research Centre and Data Bank, National Agricultural Research Organisation (NARO), NAADS Secretariat, Uganda Cotton Development Authority, Uganda Coffee Development Authority and Local government grants.

Water and Environment comprises of the Ministry of Water and Environment, National Forestry Authority, National Environment Management Authority and Local government grants.

KEY SECTOR PRIORITIES

AGRICULTURE

Budget allocation for the Agriculture Sector (billion, US\$)



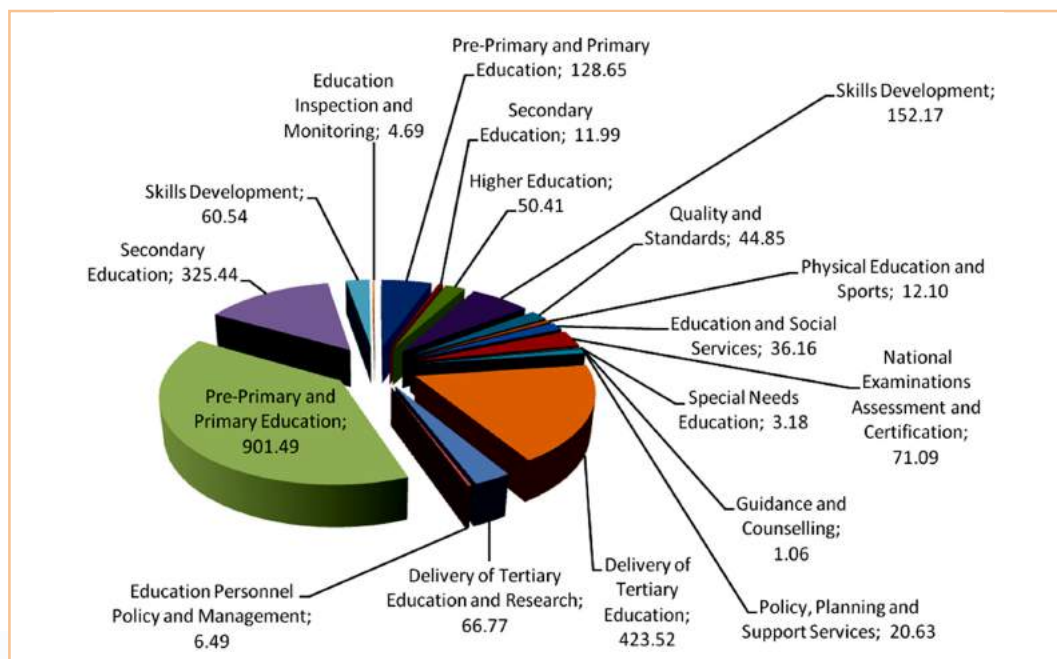
US\$479.96 billion has been allocated to the agriculture sector.

The strategic interventions to be implemented under the Commodity Based Approach, include the following:-

1. Provision of agricultural inputs to farmers;
2. Promotion of value addition for strategic commodities;
3. Funding research to increase productivity and disease resistance varieties;
4. Controlling of pests and diseases, with special emphasis on Banana and Coffee Bacterial Wilt and Foot and Mouth Disease;
5. Construction of valley tanks and dams for livestock and crop irrigation; and
6. Providing affordable long term financing under the Agricultural Credit Facility (ACF) for production and agro-processing.

EDUCATION

Budget allocation to the Education Sector (billion, US\$)

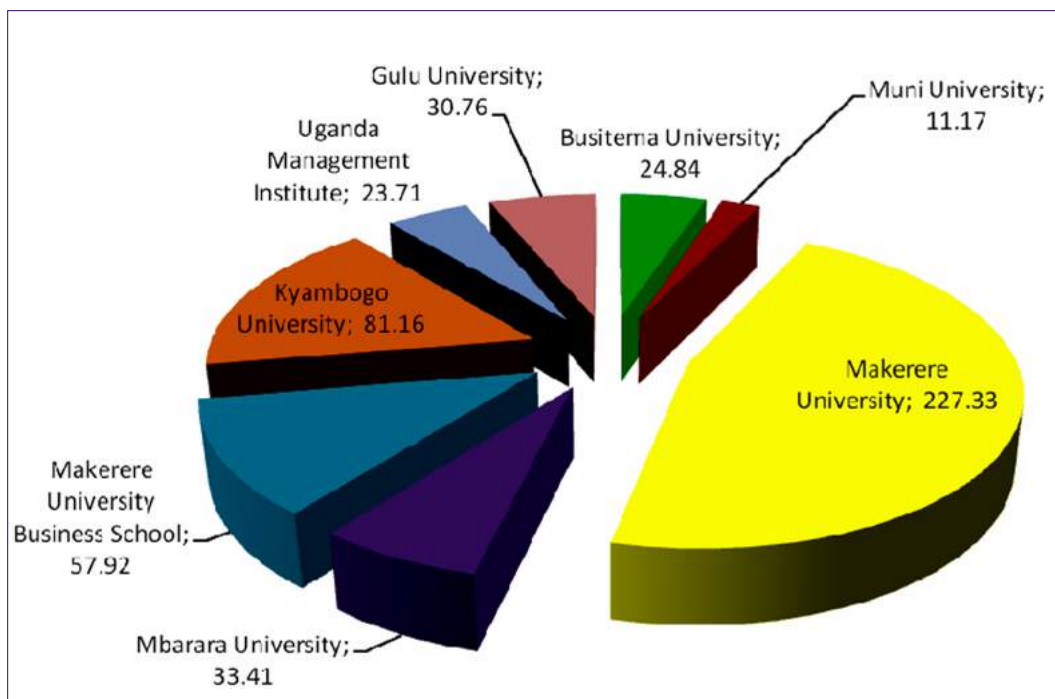


US\$ 2,029 Billion has been approved for the Education Sector.

The key priorities to be financed in the FY 2015/16 include the following;

1. Increase the Capitation and School Facilities Grants by an additional US\$39.78 billion to ensure better effectiveness of the UPE, USE/UPOLET programmes;
2. Construct 293 Primary schools in the country;
3. Train 4,000 Headteachers and orient 10,000 School Management Committees (SMCs) in Leadership and Management Skills. In addition, 12,000 teachers and head teachers will be trained in delivering literacy and numeracy in primary 1 to primary 3 in 27 worst performing districts
4. Provide instructional materials and teaching aids for UPE, USE and UPOLET;
5. Enhance vocational and skills development by implementing the Skilling Uganda Project with additional funding of Shs 5.9 billion;
6. Increase access to tertiary education by expanding the Student Loan Scheme with an additional allocation of Shs.6 billion for loans to 1,000 new degree students and 200 diploma students;
7. Support to the Teachers SACCO with an additional US\$ 5 billion in order to increase access to affordable financial and credit facilities
8. Kick-start construction of the National High Altitude Centre in Kapchorwa and embark on preliminary design works for AkiiBua Olympic Stadium in Lira with an additional allocation of US\$ 5 billion; and
9. Increase salaries for Lecturers in all Public Universities with an additional funding of US\$ 50 billion. This enhancement will raise the Professor's pay from the current US\$ 4.1 million to US\$ 6.3 million per month.

Budget allocation to Public Universities (billion, US\$)



Makerere University



Energy and Mineral Development

Government will fast track the construction of:-

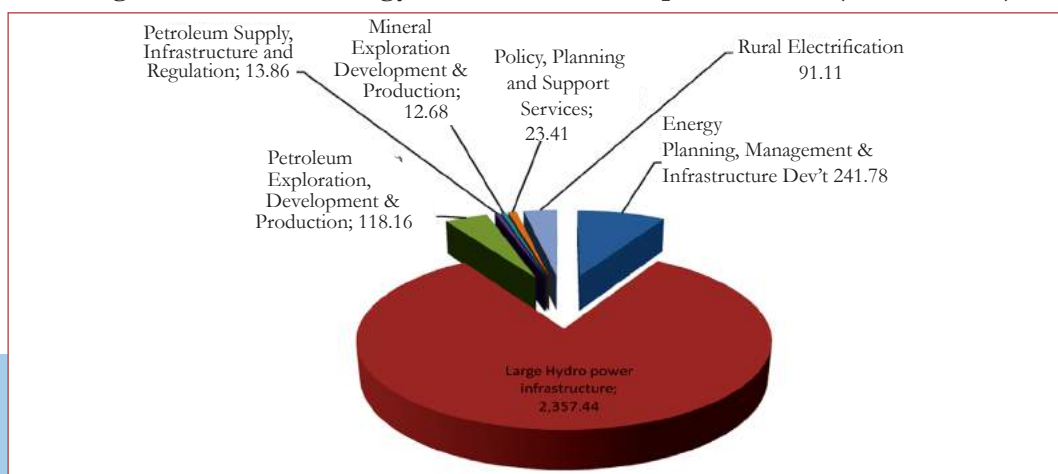
- Karuma Hydropower Projects 600MW
- Isimba Hydropower Projects 183MW
- Muzizi HPP,
- Nyamwamba 9.2MW,
- Siti1 5MW,
- Waki 5MW,
- Rwimi 5.4MW,
- Kikagati 16MW and at
- Nengo Bridge 7.5MW)

Transmission lines under the Rural Electrification

A total of 2,002 Km of transmission lines will be constructed across the country. These include:-

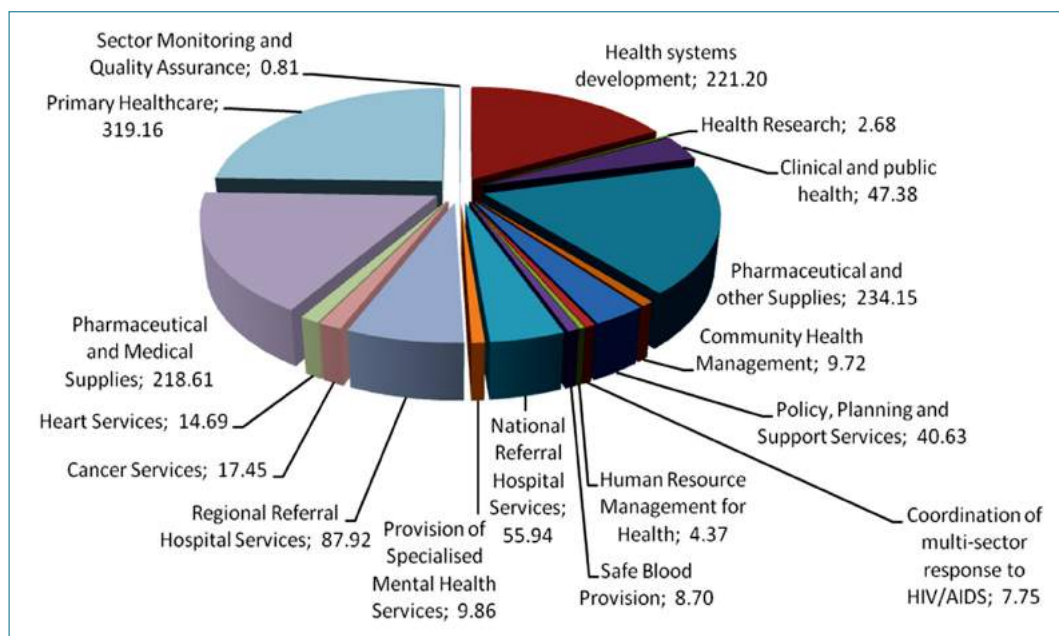
- Bujagali-Tororo-Lessos (220kV),
- Mbarara – Mirama Hill - Birembo (220 kV),
- Mbarara – Nkenda (132kV),
- Tororo – Opuyo –Lira (132kV),
- Kawanda – Masaka (220kV),
- Nkenda – Fort Portal – Hoima (220kV)
- Isimba Interconnection Project (132kV),
- Karuma – Kawanda(400kV),
- Karuma- Lira (220kV);
- Mutundwe – Entebbe (132kV)
- New substations at Gulu and Agago with line bays at Lira.

Budget allocation to Energy and Mineral Development Sector (billion, US\$)



HEALTH

Budget allocation to the Health Sector (billion, UShs)

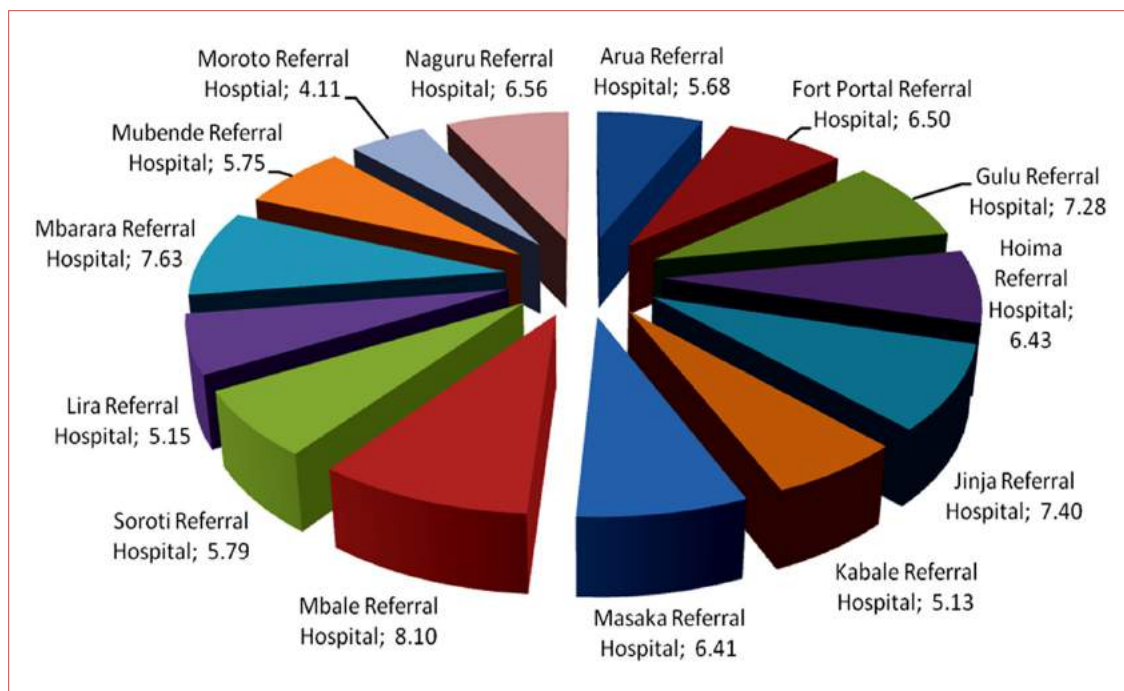


UShs. 1,270.8 billion has been approved to the Health Sector.

Interventions in the Health Sector include;

1. Construction of specialized Maternal and Neonatal unit in Mulago hospital.
2. Continue the construction, expansion, rehabilitation and equipping of Mulago Hospital.
3. Procure ten (10) ambulances for the planned Ambulance System for Kampala metropolitan area.
4. Rehabilitate and upgrade Rukunyu, Maracha, Kansunganyanja, and Rwashamaire health centers.
5. Procure assorted essential medical equipment and furniture for ten (10) General Hospitals, 10 Health Centre IVs, 30 Health Centre IIIs and 20 Health Centre IIs countrywide.
6. Construct 69 housing units at Health Centre IIIs in districts of Kaabong, Abim, Kotido, Moroto, Amudat, Napak and Nakapiripirit in the Karamoja region.
7. Continue rehabilitation of the following hospitals:-Adjumani, Kitgum, Kabarole, Kiboga. Kapchorwa, KamwengePallisa, Itojo, KitagataBugiri, Atutur, Apac, Abim, Bundibugyo, Kaberamaido and Masindi.
8. Reconstruct Kawolo and Busolve Hospitals.
9. Rehabilitate expand and equip Yumbe and Kayunga Hospitals.
10. Enhance the treatment against Hepatitis B with an allocation of Shs. 10 billion.

Budget allocation to Regional Referral Hospitals (billion, US\$)



SECURITY

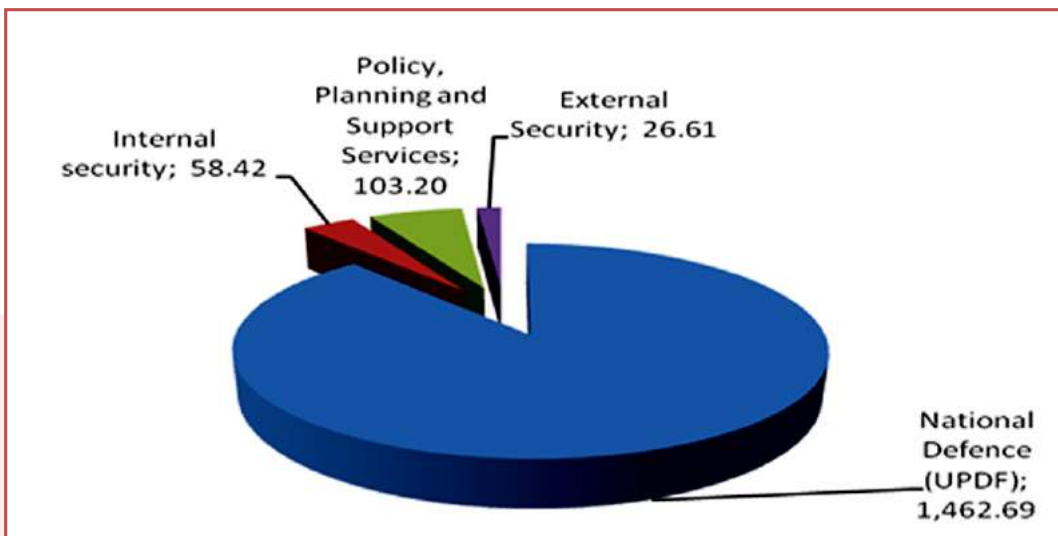


An allocation of **Shs1,632.89** billion has been approved for the Security Sector in the budget. These resources will be utilized to further professionalize the armed forces and other security organs.

Specific emphasis will be placed on:-

- Acquisition of modern weaponry
- Strengthening intelligence capability training and welfare.

Budget allocation to the Security Sector (billion, US\$)



WATER AND ENVIRONMENT

UShs. 547.3billion has been approved for the Water and Sanitation sector.

Key interventions will be on:-

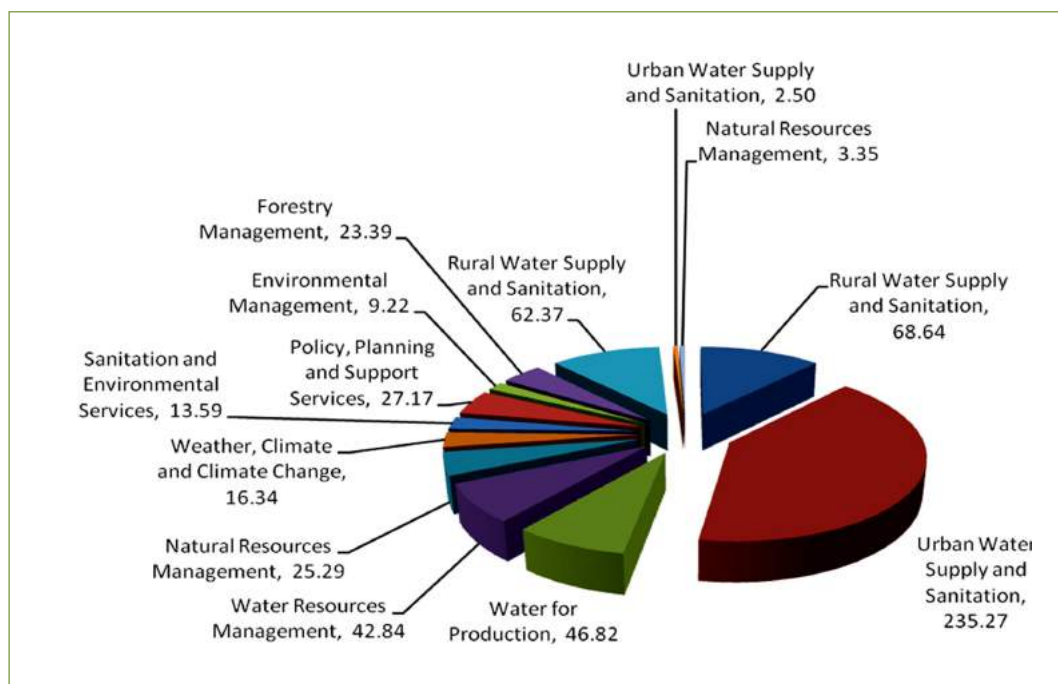
1. Increasing access to safe water in rural and urban areas;
2. Increasing sanitation and hygiene in rural and urban areas;
3. Increasing functionality of water supply systems.

Specific actions will include the following:-

- Construction of gravity flow and piped water schemes

- Rehabilitation of broken down (de-commissioned-Minor & major repairs) hand pumps, valley tanks and Drilling of new boreholes countrywide;
- Construction and rehabilitation of piped-water systems as well as sewerage and sanitation facilities countrywide;
- Construction of windmill-powered watering systems in Karamoja;
- Upgrade water supply systems in Rural Growth Centres (RGCs), like Nyamaranda in Kibale District, into small piped systems to replace hand pump boreholes.

Budget allocation to the Water and Environment Sector (billion, UShs)



WORKS AND TRANSPORT



An allocation of **Shs. 3,328.79** billion to the transport sector was approved.

New road construction and maintenance projects to commence include;

Eastern Uganda

- Tirinyi – Pallisa – Kumi/ Pallisa – Kamukoli (111km);
- Mbale – Bubulo – Lwakhakha road (45km),
- Nakalama – Tirinyi – Mbale (101km),
- Mbale – Nkokonjeru (21km);
- Soroti - Arapai Railway Station (10km),
- Soroti State Lodge road (2km)
- Kamuli and Jinja Town roads (22.2km)
- and Ngora town road (2km)
- Soroti- Katakwi -Moroto – Lokitanyala (208km);
- Muyembe – Nakapiripirit (92km);
- Mbale - Nkokonjeru (21km)

Central Uganda

- Mityana - Mubende (89 km),
- Kibuye - Entebbe Airport (37 km)
- Kampala – Mukono (21km),
- Nansana – Busunju (47km);
- Masaka – Bukakata (41km)
- and Luuka – Kalangala (60km)

Western Uganda

- Fort Portal – Kyenjojo (50km),
- Fort Portal - Hima (55km);
- Hima- Katunguru (58 km);
- Hoima - Butiaba - Wanseko (111km),
- Bulima – Kabwoya (65km);
- Kabwoya – Kyenjojo (105km);
- Mubende –Kibale – Kagadi (104km)
- Kigumba – Masindi – Bulima (69km)

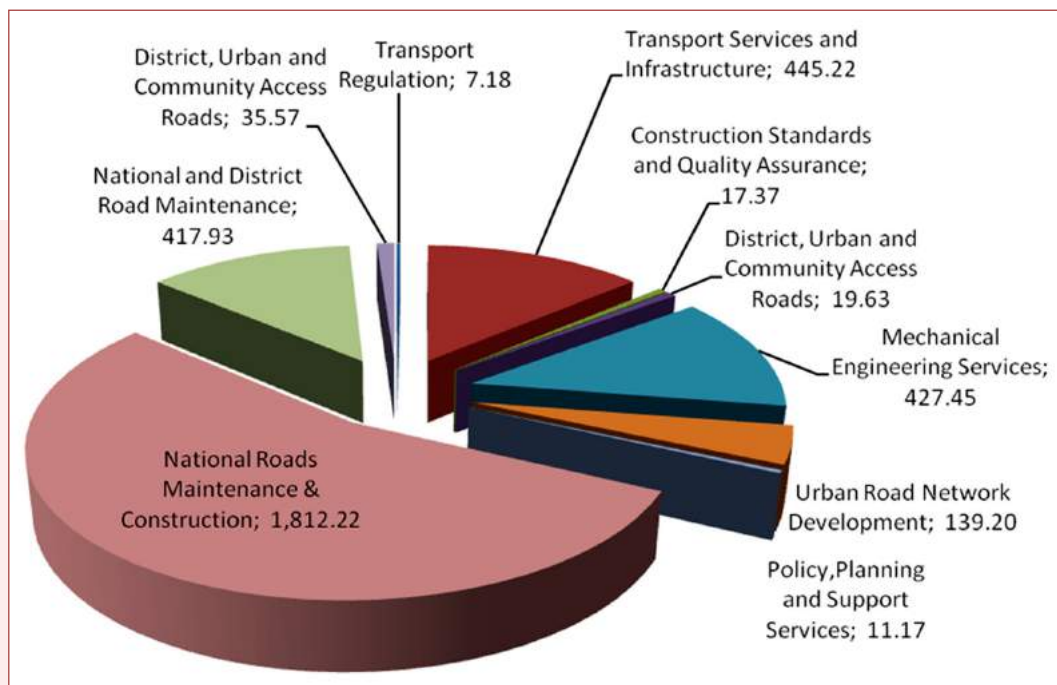
South Western Uganda

- Rukungiri – Kihikihi – Ishasha/ Kanungu (78km),
- Ishaka - Rugazi –Katunguru (55km)
- Kabale – Bunyonyi Lake road (8km)

Northern Uganda

- Karenga – South Sudan border (44km)
Works on the following roads is progressing well:-
- Kawempe – Kafu, Mukono – Jinja, Kampala – Entebbe Expressway, Kampala Northern Bypass Phase 2,
- Mpigi – Kanoni, Luuku – Kalangala and Mukono – Katosi/Kisoga – Nyenga in Central Uganda;
- Ntungamo – Katuna, Ishaka – Kagamba, Mbarara Bypass, Ntungamo – Mirama Hills in South Western Uganda;
- Kamwenge – Fort Portal, Kafu – Kiryandongo, Kiryandongo – Karuma, in Western Uganda;
- Moroto – Nakapiripirit in North Eastern Uganda; v. Atiak – Nimule, Karuma– Kamdini, Kamdini – Gulu, Acholibur – Kitgum –Musingo, Olwiyo (Anak) – Gulu, Gulu – Acholibur in Northern Uganda.

Budget allocation for the Works and Transport Sector (billion, US\$)

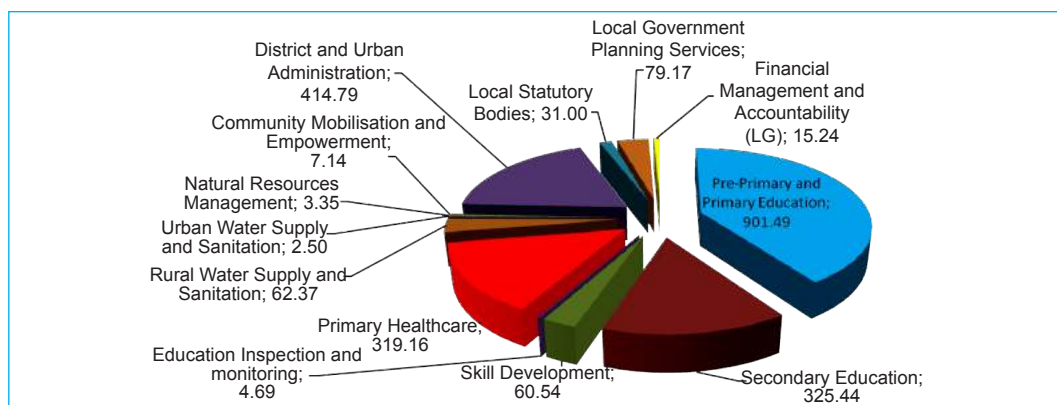


In FY 2015/16, the following roads projects will be completed:

1. Atiak – Nimule (35km), Maracha and Koboko town roads (6.9km) and Mvara – Ediofe Cathedral road in Arua Municipality (10.1km) in Northern Uganda;
2. Kamwenge- Fort Portal (65km), Kafu – Kiryandongo (43km), Bundibugyo Town roads (6km) and in Western Uganda;
3. Rwentobo - Kabale – Katuna road (65km), Ishaka – Kagamba (35km) and Kabale Town road (2.3km) in South Western Uganda;
4. Moroto – Nakapiripit (92km) in North Eastern Uganda; and Masaka - Nyendo (8km), Seeta – Namugongo (7.2km), Kyaliwajala-Kira (3.5km), Naalya-Kyaliwajala (2.5km), Namugongo Ring road (1.8km) and Shrine Access (1.8km) and Nakasongola road (2km) in Central Uganda.



Local Government Transfers (billion, US\$)



Measures to improve governance and accountability

In order to enhance the effectiveness of Public Service delivery, the following key policy interventions will be implemented:-

- Enforce a Performance Management Framework that clearly links defining budget allocations to Sector Outcomes and Outputs and in order to improve effectiveness and efficiency of Public Service Delivery;
- Strictly monitor and enforce performance contracts, and administer strong sanctions to Accounting Officers who fail to adhere to set guidelines. Renewal of appointment for Permanent Secretaries, Chief Administrative Officers, Heads of Government Departments and all Accounting Officers will take into account a proven track record of sound implementation of Government programmes/projects and after a stringent vetting process.
- To address the problem of ghost workers, Government has compiled a biometric database of all its employees which is linked with the National Identification system. This financial year, all Public Servants will be required to have the National Identity Card before accessing the Government payroll.
- Government shall vigorously enforce implementation of the Sanctions against officials who fail to provide timely accountability and those who continue to burden government with arrears.
- Prioritise clearance of all domestic arrears including Salary, Pension and Gratuity arrears. Installation of pre-paid meters for utilities for MDAs who have not already done so will be enforced so as not to undermine the development of the private sector.
- Strengthen procurement and contract management with emphasis on infrastructure projects through outsourcing project management, and scrutiny of contract variations.
- Enhance Public Investment Management by improving project selection, appraisal and analysis; and make it mandatory for preparation of prefeasibility studies for all projects and PPPs, before the project is approved and sanctioned for funding.
- Ensure expeditious submission of loan requests to both Cabinet and Parliament, and urge expeditious approval to enable project effectiveness.

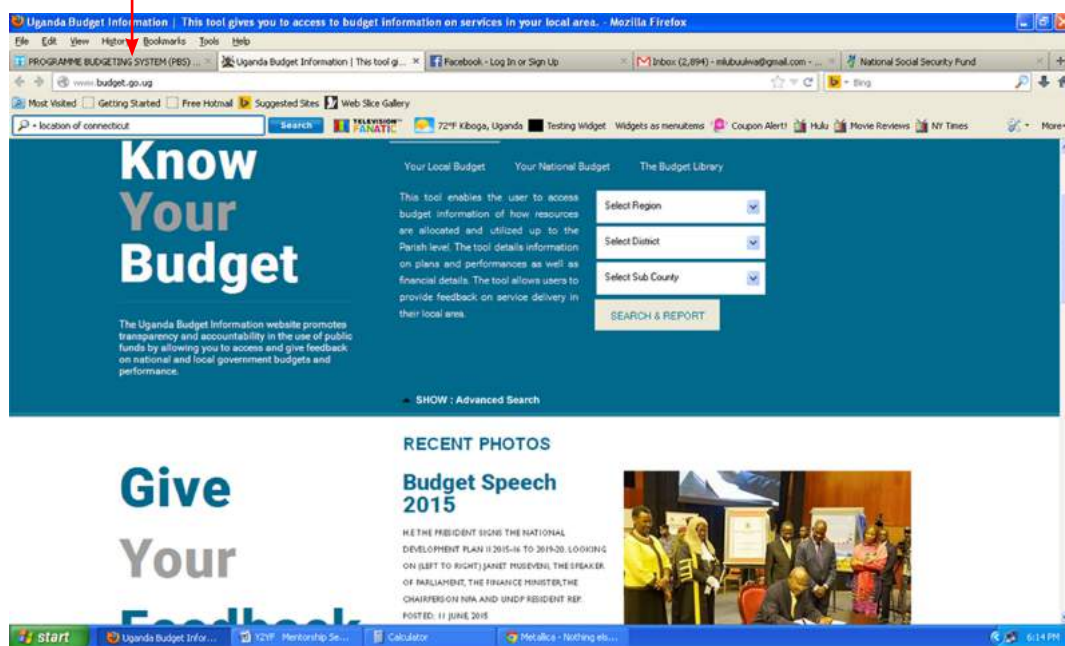
How can you demand for accountability?

The biggest part of the National Budget is funded by the taxes that you pay. Since this is your money that the Government spends, it is important that you demand for its accountability. The Government has set

up a budget website (www.budget.go.ug) where you can track how much money has been allocated to your sub county and what it is meant to do. You should also visit your sub county and demand to know what your money is doing.

How to look for information on the budget website

(www.budget.go.ug)



The Ministry of Finance, Planning & Economic Development is partnering with Civil Society Organisations under the Budget Transparency Initiative to raise awareness among the citizens through opinion leaders on matters of budget processes, allocations and service delivery. The government will also seek your feedback on the implementation of government projects.

Budget allocations will be periodically published in newspapers and the ministry has set up a call centre to enable you follow up on the money spent. The toll free hotline number is 0800229229.

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